

109TH CONGRESS
1ST SESSION

S. 1906

To amend the Internal Revenue Code of 1986 to exclude property tax rebates and other benefits provided to volunteer firefighters, search and rescue personnel, and emergency medical responders from income and employment taxes and wage withholding.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21, 2005

Mr. DODD (for himself and Mr. SMITH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude property tax rebates and other benefits provided to volunteer firefighters, search and rescue personnel, and emergency medical responders from income and employment taxes and wage withholding.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCLUSION OF PROPERTY TAX REBATES AND**
 2 **OTHER BENEFITS PROVIDED TO VOLUNTEER**
 3 **FIREFIGHTERS, SEARCH AND RESCUE PER-**
 4 **SONNEL, AND EMERGENCY MEDICAL RE-**
 5 **SPONDERS FROM INCOME AND EMPLOYMENT**
 6 **TAXES AND WAGE WITHHOLDING.**

7 (a) EXCLUSION FROM GROSS INCOME.—

8 (1) IN GENERAL.—Part III of subchapter B of
 9 chapter 1 of the Internal Revenue Code of 1986 (re-
 10 lating to items specifically excluded from gross in-
 11 come) is amended by redesignating section 140 as
 12 section 140A and by inserting after section 139 the
 13 following new section:

14 **“SEC. 140. PROPERTY TAX REBATES AND OTHER BENEFITS**
 15 **PROVIDED TO VOLUNTEER FIREFIGHTERS,**
 16 **SEARCH AND RESCUE PERSONNEL, AND**
 17 **EMERGENCY MEDICAL RESPONDERS.**

18 “(a) EXCLUSION.—Gross income shall not include a
 19 qualified property tax rebate or other benefit.

20 “(b) QUALIFIED PROPERTY TAX REBATE OR OTHER
 21 BENEFIT.—For purposes of subsection (a)—

22 “(1) IN GENERAL.—The term ‘qualified prop-
 23 erty tax rebate or other benefit’ means a rebate of
 24 real or personal property taxes, or any other benefit,
 25 provided by a State or political subdivision on ac-

1 count of services performed as a member of a quali-
 2 fied volunteer emergency response organization.

3 “(2) QUALIFIED VOLUNTEER EMERGENCY RE-
 4 SPONSE ORGANIZATION.—The term ‘qualified volun-
 5 teer emergency response organization’ means any
 6 volunteer organization—

7 “(A) which is organized and operated to
 8 provide firefighting, search and rescue, or emer-
 9 gency medical services for persons in the State
 10 or political subdivision, as the case may be, and

11 “(B) which is required (by written agree-
 12 ment) by the State or political subdivision to
 13 furnish firefighting, search and rescue, or emer-
 14 gency medical services in such State or political
 15 subdivision.”.

16 (2) CLERICAL AMENDMENT.—The table of sec-
 17 tions for such part is amended by striking the last
 18 item and inserting the following new items:

“Sec. 140. Property tax rebates and other benefits provided to volunteer fire-
 fighters, search and rescue personnel, and emergency medical
 responders.

“Sec. 140A. Cross references to other Acts.”.

19 (b) EXCLUSION FROM EMPLOYMENT TAXES.—

20 (1) SOCIAL SECURITY TAXES.—

21 (A) Section 3121(a) of the Internal Rev-
 22 enue Code of 1986 (relating to definition of
 23 wages) is amended by striking “or” at the end

1 of paragraph (21), by striking the period at the
2 end of paragraph (22) and inserting “; or”, and
3 by inserting after paragraph (22) the following
4 new paragraph:

5 “(23) any qualified property tax rebate or other
6 benefit (as defined in section 140(b)).”.

7 (B) Section 209(a) of the Social Security
8 Act is amended by striking “or” at the end of
9 paragraph (18), by striking the period at the
10 end of paragraph (19) and inserting “; or”, and
11 by inserting after paragraph (19) the following
12 new paragraph:

13 “(20) Any qualified property tax rebate or
14 other benefit (as defined in section 140(b) of the In-
15 ternal Revenue Code of 1986).”.

16 (2) UNEMPLOYMENT TAXES.—Section 3306(b)
17 of the Internal Revenue Code of 1986 (relating to
18 definition of wages) is amended by striking “or” at
19 the end of paragraph (18), by striking the period at
20 the end of paragraph (19) and inserting “; or”, and
21 by inserting after paragraph (19) the following new
22 paragraph:

23 “(20) any qualified property tax rebate or other
24 benefit (as defined in section 140(b)).”.

1 (c) WAGE WITHHOLDING.—Section 3401(a) of the
2 Internal Revenue Code of 1986 (defining wages) is amend-
3 ed by striking “or” at the end of paragraph (21), by strik-
4 ing the period at the end of paragraph (22) and inserting
5 “; or”, and by inserting after paragraph (22) the following
6 new paragraph:

7 “(23) for any qualified property tax rebate or
8 other benefit (as defined in section 140(b).”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 the date of the enactment of this Act.

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