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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2085 Session of  
2024

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INTRODUCED BY FLEMING, MARCH 12, 2024

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REFERRED TO COMMITTEE ON FINANCE, MARCH 12, 2024

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AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," in personal income tax, further providing for  
11 definitions and for classes of income.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. Section 301 of the act of March 4, 1971 (P.L.6,  
15 No.2), known as the Tax Reform Code of 1971, is amended by  
16 adding definitions to read:

17 Section 301. Definitions.--Any reference in this article to  
18 the Internal Revenue Code of 1986 shall mean the Internal  
19 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.),  
20 as amended to January 1, 1997, unless the reference contains the  
21 phrase "as amended" and refers to no other date, in which case  
22 the reference shall be to the Internal Revenue Code of 1986 as  
23 it exists as of the time of application of this article. The

1 following words, terms and phrases when used in this article  
2 shall have the meaning ascribed to them in this section except  
3 where the context clearly indicates a different meaning:

4 \* \* \*

5 (f.1) "Eligible volunteer firefighter" means a person who:

6 (1) has been approved by the authorities in control of a  
7 duly organized fire company or fire department as an active or  
8 vested volunteer firefighter of the fire company or fire  
9 department; and

10 (2) is actually performing service in the protection of life  
11 and property from fire or other emergency, accident or calamity  
12 in connection with which the services of the fire company or  
13 fire department are required.

14 \* \* \*

15 (s.3) "Service award" means a benefit payable to an eligible  
16 volunteer firefighter.

17 (s.4) "Service award program" means a volunteer firefighter  
18 defined benefit plan or volunteer firefighter defined  
19 contribution plan established or maintained by a fire company,  
20 fire department or sponsoring municipality.

21 \* \* \*

22 (x) "Volunteer firefighter defined benefit plan" means a  
23 program that provides to eligible volunteer firefighters a  
24 benefit that is definitely determinable under the program and  
25 without reference to the amount contributed to the program on  
26 the participant's behalf or to any income, expenses, gains or  
27 losses or forfeitures of other participants under the program.

28 (y) "Volunteer firefighter defined contribution plan" means  
29 a program that provides to eligible volunteer firefighters a  
30 benefit as the result of definite and determinable contributions

1 paid to the program and without reference to any income,  
2 expense, gains or losses or forfeitures of other participants  
3 under the program.

4 Section 2. Section 303(a)(1) of the act is amended by adding  
5 a subparagraph to read:

6 Section 303. Classes of Income.--(a) The classes of income  
7 referred to above are as follows:

8 (1) Compensation.

9 \* \* \*

10 (v) Contributions by a fire company, fire department or  
11 sponsoring municipality to a taxpayer's service award as part of  
12 a service award program shall not be considered compensation for  
13 purposes of this article.

14 \* \* \*

15 Section 3. This act shall apply to taxable years commencing  
16 on or after January 1, 2024.

17 Section 4. This act shall take effect in 60 days.