

Legislative Analysis



QUALIFIED VOLUNTEER CREDITS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4431 as introduced
Sponsor: Rep. Matt Bierlein

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4432 as introduced
Sponsor: Rep. Steve Frisbie

Committee: Finance
Complete to 9-16-25

SUMMARY:

House Bills 4431 and 4432 would amend the Income Tax Act to create refundable individual income tax credits for *qualified volunteers* providing certain emergency services for tax years beginning on or after January 1, 2025.

The credits would be worth \$2,500 for a volunteer's service during the tax year with an *organized fire department* (under HB 4431) or as *emergency medical services personnel* with a *life support agency* (under HB 4432).

To qualify for each credit, the taxpayer would have to submit a signed written statement from the head of the life support agency or organized fire department for which they volunteered affirming that they served for at least 10 hours a month as a volunteer for the organization. For the emergency medical service (EMS) volunteer credit only, the statement would also need to affirm:

- That the individual is in compliance with all applicable training, policy, and procedure standards and requirements of that agency and this state.
- That the individual was a volunteer and the only compensation for those services was reimbursement for reasonable expenses incurred in their performance or reasonable benefits and fees for the services that are customarily paid by employers in connection with their performance.

An individual that is paid by either an organized fire department or life support agency but also volunteers for another department or agency would be eligible for the relevant credit for that volunteer service.

Qualified volunteer would mean:

- For House Bill 4431, a volunteer or paid on-call *firefighter* who has at least 10 hours a month of active service with an organized fire department during the tax year and is not paid an hourly wage or salary and whose only compensation for those services is reimbursement for reasonable expenses incurred in the performance of those services or reasonable benefits and fees for those services that are customarily paid by employers in connection with the performance of those volunteer services.
- For House Bill 4432, a volunteer or paid on-call emergency medical services personnel who has at least 10 hours a month of active service with a life support

agency during the tax year and is not paid an hourly wage or salary and whose only compensation for those services is reimbursement for reasonable expenses incurred in the performance of those services or reasonable benefits and fees for those services that are customarily paid by employers in connection with the performance of those volunteer services.

Firefighter would mean a member of an organized fire department who has obtained a firefighter 1 certification and a firefighter 2 certification and is responsible for, or is in a capacity that includes responsibility for, the extinguishment of fires, the directing of the extinguishment of fires, the prevention and detection of fires, and the enforcement of the general fire laws of Michigan. It would include a driver, pump operator, and dispatcher.

Organized fire department would mean a department, authority, or other governmental entity that safeguards life and property from damage from explosion, fire, or disaster and provides fire suppression and other related services in Michigan. It would include any lawfully organized firefighting force in the state.

Emergency medical services personnel would mean a medical first responder, emergency medical technician, emergency medical technician specialist, paramedic, or emergency medical services instructor-coordinator licensed under Part 209 of the Public Health Code.

Life support agency would mean an ambulance operation, nontransport prehospital life support operation, aircraft transport operation, or medical first response service.

Proposed MCL 206.281 (HB 4431) and MCL 206.282 (HB 4432)

FISCAL IMPACT:

Taken together, the bills would reduce state general fund revenue by between \$60.0 million and \$70.0 million based on current estimates of volunteer firefighters (HB 4431) and volunteer emergency medical services personnel (HB 4432). Approximately 3/4 of the revenue loss would be due to volunteer firefighters utilizing the credit, with the remaining 1/4 attributable to volunteer EMS personnel utilizing the credit.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.