

Sexton, Rittmer, Fink

Succeeded By
SF HF 2319

SSB 3131

State Government

SENATE FILE _____

BY (PROPOSED COMMITTEE ON STATE
GOVERNMENT BILL BY
CHAIRPERSON KING)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to fire fighter preparedness by creating a fire
2 fighter preparedness fund, by creating an income tax checkoff
3 for fire fighter preparedness, by removing the limitation on
4 income tax checkoffs, and by allocating a certain portion of
5 insurance premiums tax to the fire fighter preparedness fund,
6 and making an appropriation and providing a retroactive
7 applicability date.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 100B.12 FIRE FIGHTER
2 PREPAREDNESS FUND.

3 1. A fire fighter preparedness fund is created as a
4 separate and distinct fund in the state treasury under the
5 control of the division of fire protection of the department
6 of public safety.

7 2. Revenue for the fire fighter preparedness fund shall
8 include, but is not limited to, the following:

9 a. Moneys credited to the fund pursuant to section
10 422.12F.

11 b. Moneys credited to the fund pursuant to section 432.15.

12 c. Moneys in the form of a devise, gift, bequest,
13 donation, or federal or other grant intended to be used for
14 the purposes of the fund.

15 3. Moneys in the fire fighter preparedness fund are not
16 subject to section 8.33. Notwithstanding section 12C.7,
17 subsection 2, interest or earnings on moneys in the fund shall
18 be credited to the fund.

19 4. Moneys in the fire fighter preparedness fund are
20 appropriated to the division of fire protection of the
21 department of public safety to be used annually as follows:

22 a. The first four hundred thousand dollars shall be
23 allocated to the state fire service and emergency response
24 council to assist in funding the programs and purposes, as
25 specified in section 100B.6, of the fire service training
26 bureau.

27 b. Any amount in excess of four hundred thousand dollars
28 shall be allocated to the state fire service and emergency
29 response council to pay the costs of providing fire fighter
30 training around the state.

31 Sec. 2. Section 422.12A, subsection 5, Code Supplement
32 2001, is amended by striking the subsection.

33 Sec. 3. NEW SECTION. 422.12F INCOME TAX CHECKOFF FOR
34 FIRE FIGHTER PREPAREDNESS.

35 1. A person who files an individual or a joint income tax

1 return with the department of revenue and finance under
 2 section 422.13 may designate one dollar or more to be paid to
 3 the fire fighter preparedness fund as created in section
 4 100B.12. If the refund due on the return or the payment
 5 remitted with the return is insufficient to pay the additional
 6 amount designated by the taxpayer to the fire fighter
 7 preparedness fund, the amount designated shall be reduced to
 8 the remaining amount of refund or the remaining amount
 9 remitted with the return. The designation of a contribution
 10 to the fire fighter preparedness fund under this section is
 11 irrevocable.

12 2. The director of revenue and finance shall draft the
 13 income tax form to allow the designation of contributions to
 14 the fire fighter preparedness fund on the tax return. The
 15 department of revenue and finance, on or before January 31,
 16 shall certify the total amount designated on the tax return
 17 forms due in the preceding calendar year and shall report the
 18 amount to the treasurer of state. The treasurer of state
 19 shall credit the amount to the fire fighter preparedness fund.
 20 However, before a checkoff pursuant to this section shall be
 21 permitted, all liabilities on the books of the department of
 22 revenue and finance and accounts identified as owing under
 23 section 421.17 and the political contribution allowed under
 24 section 56.18 shall be satisfied.

25 3. The department of revenue and finance shall adopt rules
 26 to administer this section.

27 Sec. 4. NEW SECTION. 432.15 INSURANCE TAXES FOR FIRE
 28 FIGHTER PREPAREDNESS.

29 Of the amounts paid as taxes pursuant to section 432.1,
 30 subsection 2, and section 432.2, from insurance on property,
 31 one-eighth of one percent shall be deposited in the fire
 32 fighter preparedness fund created in section 100B.12.

33 Sec. 5. Section 422.12E, Code Supplement 2001, is
 34 repealed.

35 Sec. 6. RETROACTIVE APPLICABILITY. This Act applies

1 retroactively to January 1, 2002, for tax years beginning on
2 or after that date.

3 EXPLANATION

4 This bill creates the fire fighter preparedness fund under
5 the control of the division of fire protection of the
6 department of public safety.

7 The bill provides that 1/8 of 1 percent of insurance
8 premium taxes paid on insurance on property shall be credited
9 to the fund. The bill also creates a fire fighter
10 preparedness income tax checkoff. Moneys collected from the
11 checkoff are to be credited to the fund.

12 Moneys in the fund are appropriated to the division of fire
13 protection of the department of public safety. The first
14 \$400,000 in the fund in any one year is to be used by the
15 state fire and emergency response council to assist in paying
16 for the programs and purposes of the fire service training
17 bureau. Amounts in excess of \$400,000 are to be used by the
18 state fire service and emergency response council to pay the
19 costs of providing fire fighter training around the state.

20 The bill also repeals the section of the Code that limits
21 to three the number of income tax checkoffs.

22 The bill applies retroactively to tax years beginning on or
23 after January 1, 2002.

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FILED MAR 21 2002

SENATE FILE 2319
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2298)
(SUCCESSOR TO SSB 3131)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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SF 2319

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5 control of the division of fire protection of the department
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22 a. The first four hundred thousand dollars shall be
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24 council to assist in funding the programs and purposes, as
25 specified in section 100B.6, of the fire service training
26 bureau.

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28 shall be allocated to the state fire service and emergency
29 response council to pay the costs of providing fire fighter
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32 2001, is amended by striking the subsection.

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35 1. A person who files an individual or a joint income tax

1 return with the department of revenue and finance under
2 section 422.13 may designate one dollar or more to be paid to
3 the fire fighter preparedness fund as created in section
4 100B.12. If the refund due on the return or the payment
5 remitted with the return is insufficient to pay the additional
6 amount designated by the taxpayer to the fire fighter
7 preparedness fund, the amount designated shall be reduced to
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18 amount to the treasurer of state. The treasurer of state
19 shall credit the amount to the fire fighter preparedness fund.
20 However, before a checkoff pursuant to this section shall be
21 permitted, all liabilities on the books of the department of
22 revenue and finance and accounts identified as owing under
23 section 421.17 and the political contribution allowed under
24 section 56.18 shall be satisfied.

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26 to administer this section.

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28 FIGHTER PREPAREDNESS.

29 Of the amounts paid as taxes pursuant to section 432.1,
30 subsection 2, and section 432.2, from insurance on property,
31 one-eighth of one percent shall be deposited in the fire
32 fighter preparedness fund created in section 100B.12.

33 Sec. 5. Section 422.12E, Code Supplement 2001, is
34 repealed.

35 Sec. 6. RETROACTIVE APPLICABILITY. This Act applies

1 retroactively to January 1, 2002, for tax years beginning on
2 or after that date.

3 EXPLANATION

4 This bill creates the fire fighter preparedness fund under
5 the control of the division of fire protection of the
6 department of public safety.

7 The bill provides that 1/8 of 1 percent of insurance
8 premium taxes paid on insurance on property shall be credited
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17 bureau. Amounts in excess of \$400,000 are to be used by the
18 state fire service and emergency response council to pay the
19 costs of providing fire fighter training around the state.

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21 to three the number of income tax checkoffs.

22 The bill applies retroactively to tax years beginning on or
23 after January 1, 2002.

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Legislative Fiscal Bureau

Fiscal Note

SF 2319 - Firefighter Preparedness Fund (LSB 5907 SZ)

Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)

Fiscal Note Version - New

Description

Senate File 2319 creates a Fire Fighter Preparedness Fund under the control of the Division of Fire Protection of the Department of Public Safety. The Bill provides that one-eighth of one percent of tax collected by the State from property tax insurance premiums shall be deposited in the new fund. The Bill also creates a Fire Fighter Preparedness Income Tax Check off and repeals the Code of Iowa limit on the number of income tax check offs on the tax form.

Assumptions

1. The meaning of the term "insurance on property," as it relates to the revenue to be deposited to the new Fund, means fire insurance as well as insurance on homes, farms, automobiles, workers compensation, and other forms of property and casualty insurance as reported by the Division of Insurance in their annual report.
2. General Fund insurance premium tax receipt amounts are not available by insurance line (property, health, automobile, etc.).
3. Iowa Insurance premiums received for property insurance are approximately \$2.8 billion. Based on the State's 2.0% insurance premium tax, \$56.0 million would be generated each year by the tax.
4. However, across all lines of insurance, Iowa's insurance premium tax generates 75.0% of the premium-based amount. This is due mainly to tax credits and exclusions. Therefore, the annual projection for property insurance for FY 2003 is \$42.0 million. One-eighth of one percent of \$42.0 million is \$53,000.

Fiscal Impact

The diversion of one-eighth of one percent of the premium tax on property insurance from the General Fund to a Fire Fighter Preparedness Fund would reduce General Fund revenues by \$53,000 per year. Persons donating to the Fire Fighter Preparedness Fund will contribute between \$50,000 and \$100,000 per year, bringing total projected revenue for the Fund to \$100,000 to \$150,000 per year. Under the provision of the Bill, the entire amount would be available for the State Fire Service and Emergency Response Council to be used to support the Fire Service Training Bureau.

Iowa currently has three income tax check off donation options on the State individual income tax form. Past history indicates the addition of a new check off may reduce the amount of money donated to the current check offs. If this is the case, the addition of a fourth check off may reduce the revenue received by the three current check offs (Non-Game Wildlife, State Fair, and Keep Iowa Beautiful).

Sources

Division of Insurance
Legislative Fiscal Bureau Analysis

/s/ Dennis C Prouty

March 25, 2002

SENATE FILE 2319

S-5250

- 1 Amend Senate File 2319 as follows:
2 1. Page 2, line 30, by striking the word and
3 figure "and section 432.2,".

By KITTY REHBERG

S-5250 FILED MARCH 26, 2002

SENATE FILE 2319

S-5257

- 1 Amend Senate File 2319 as follows:
2 1. Page 1, by striking lines 23 through 26, and
3 inserting the following: "allocated to the fire
4 service training bureau to assist in funding the
5 programs and purposes specified in section 100B.6."
6 2. Page 1, lines 28 and 29, by striking the words
7 "state fire service and emergency response council"
8 and inserting the following: "fire service training
9 bureau".

By SHELDON RITTMER

S-5257 FILED MARCH 26, 2002

SENATE FILE 2319

S-5311

- 1 Amend Senate File 2319 as follows:
- 2 1. Page 1, by striking lines 31 and 32, and
3 inserting the following:
4 "Sec. 100. Section 422.12E, Code Supplement 2001,
5 is amended to read as follows:
6 422.12E INCOME TAX RETURN CHECKOFFS LIMITED.
7 For tax years beginning on or after January 1,
8 1995, there shall be allowed no more than ~~three~~ four
9 income tax return checkoffs on each income tax return.
10 When the same ~~three~~ four income tax return checkoffs
11 have been provided on the income tax return for three
12 consecutive years, the checkoff for which the least
13 amount has been contributed, in the aggregate for the
14 first two tax years and through March 15 of the third
15 tax year, ~~shall be~~ is repealed. This section does not
16 apply to the income tax return checkoff provided in
17 section 56.18."
- 18 2. Page 2, by inserting after line 26, the
19 following:
20 "4. This section is subject to repeal under
21 section 422.12E."
22 3. Page 2, by striking lines 33 and 34.
23 4. Page 3, line 2, by inserting after the word
24 "date" and following: ", and the income tax checkoff
25 for fire fighter preparedness shall be eligible for
26 placement on the individual income tax return form for
27 the tax year beginning January 1, 2002."
28 5. Title page, line 3, by striking the word
29 "removing" and inserting the following: "increasing".
30 6. By renumbering as necessary.

By KITTY REHBERG

S-5311 FILED APRIL 2, 2002

SENATE FILE 2319

S-5312

1 Amend Senate File 2319 as follows:

2 1. Page 1, by striking lines 31 and 32, and
3 inserting the following:

4 "Sec. 100. Section 422.12E, Code Supplement 2001,
5 is amended to read as follows:

6 422.12E INCOME TAX RETURN CHECKOFFS LIMITED.

7 For tax years beginning on or after January 1,
8 1995, there shall be allowed no more than three income
9 tax return checkoffs on each income tax return. When
10 the same three income tax return checkoffs have been
11 provided on the income tax return for three
12 consecutive years, the checkoff for which the least
13 amount has been contributed, in the aggregate for the
14 first two tax years and through March 15 of the third
15 tax year, ~~shall be~~ is repealed. This section does not
16 apply to the income tax return checkoff provided in
17 section 56.18."

18 2. Page 2, by inserting after line 26, the
19 following:

20 "4. This section is subject to repeal under
21 section 422.12E."

22 3. Page 2, by striking lines 33 and 34.

23 4. Page 3, line 2, by inserting after the word
24 "date" the following: ", and the income tax checkoff
25 for fire fighter preparedness shall be eligible for
26 placement on the individual income tax return form for
27 the tax year beginning January 1, 2004."

28 5. Title page, lines 3 and 4, by striking the
29 words "by removing the limitation on income tax
30 checkoffs,".

31 6. By renumbering as necessary.

By KITTY REHBERG

S-5312 FILED APRIL 2, 2002