

FAQ for Act 172 of 2016 – Volunteer First Responder EIT Credit

Act 172 of 2016 – Volunteer First Responder EIT Credit FAQ

1. What is Act 172?

It allows municipalities to grant volunteer firefighters and volunteer EMS a credit of the municipal local earned income tax.

2. Do all volunteers qualify for Act 172 municipal EIT credit?

No. The municipality must pass an ordinance enacting the Act 172 municipal tax credit. Active volunteers must meet the criteria set forth in the municipal ordinance to qualify.

3. Do I have to live in the municipality?

Yes. Only residents of the municipality who are active volunteers could apply for the tax credit. A nonresident option is not available.

4. Are there limits to the amount of local earned income tax credit?

Yes. Each municipality must set a flat amount. The credit only applies to the earned income tax levied by the municipality under the Local Tax Enabling Act. If the volunteers' tax liability is less than the flat amount, their credit is limited to their total liability.

5. How do I apply for this Volunteer First Responder EIT Credit?

You would contact your Fire Chief or EMS Chief to complete an application. The Chief will then submit the app to the municipality for approval. A certificate of approval will be issued to the taxpayer from the municipality, if the taxpayer meets criteria.