

**Property Tax  
Supplemental Benefit for  
Volunteer Firefighters**

February 7, 2001

	Yes	No
Separate Official Fiscal Note Requested	X	
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 190 (Scheevel) / H.F. 207 (Rifenberg)

	<u>Revenue Gain or (Loss)</u>				
	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>
			(000's)		
General Fund:		(\$300)	(\$300)	(\$300)	(\$300)

Effective for payments after December 3, 2001.

**EXPLANATION OF THE BILL**

**Current Law:** The state reimburses volunteer firefighter relief associations for the cost of mandated supplemental benefit payments to volunteer firefighters. The supplemental benefits must be paid upon payment of a lump sum distribution by the associations. The supplemental benefit is equal to 10% of the lump sum distribution, up to a maximum of \$1,000. The Department of Revenue reimburses the associations annually on March 15. The total paid last March was \$420,368.

**Proposed Law:** Under the proposal, the maximum benefit is raised from \$1,000 to \$2,500.

**REVENUE ANALYSIS DETAIL**

- A 1999 estimate based on the records of individual firefighters' payments indicates that the total additional payments resulting from increasing the maximum would be about \$300,000.
- It is assumed that 1999 was a representative year and the impact will be about \$300,000 in each year.

**Number of Taxpayers Affected:** Fewer than 300 firefighters would be affected by the change each year.

**ADMINISTRATIVE/OPERATIONAL IMPACT**

See fiscal note

Source: Minnesota Department of Revenue  
Tax Research Division  
<http://www.taxes.state.mn.us/polic.html#analyses>