

LEGISLATIVE VICTORY! CONGRESS PASSES PERMANENT EXTENSION OF VOLUNTEER RESPONDER INCENTIVE PROTECTION ACT

December 22, 2020

On December 21, the House and Senate passed a permanent extension of the Volunteer Responder Incentive Protection Act (VRIPA), which exempts nominal recruitment and retention benefits that volunteer emergency responders receive from being subject to federal income tax and reporting requirements, as part of a [year-end legislative package](#) (H.R. 113) that also included FY 2021 appropriations and COVID-19 relief measures.

“This is really great news for volunteer fire, EMS, and rescue personnel and departments across the nation,” said National Volunteer Fire Council (NVFC) chair Steve Hirsch. “Taxing volunteer benefits reduces their incentive value and creates administrative burdens for smaller agencies in particular. Extending VRIPA permanently will make it easy for departments to plan and take full advantage of the exemption. I’d like to thank Representatives John Larson and Mike Kelly, Senators Susan Collins and Ben Cardin, and all of the cosponsors of VRIPA in the House and Senate for their dogged support in getting this critical legislation into the year-end legislative package!”

VRIPA has been a legislative priority for the NVFC since the mid-2000s, when the IRS began auditing and fining volunteer fire departments for improper reporting of benefits. In July, [the NVFC called on Congress](#) to make VRIPA permanent as part of the next round of COVID-19 relief legislation.

“Because of social distancing restrictions due to COVID-19, recruitment, training, and education of volunteer firefighters and EMS personnel is difficult or even impossible in many areas at the moment,” said Hirsch in a July 30 letter to House and Senate leadership. “Meanwhile, many departments are experiencing higher-than-normal rates of staffing attrition due to volunteers being concerned about exposure and lacking adequate personal protective equipment. If VRIPA is allowed to expire, volunteers will have to start paying tax on nominal benefits, which reduces their incentive value. Higher taxes and more administrative burdens are the last thing that volunteer emergency responders and agencies need right now.”

The NVFC has issued multiple alerts to members through the [NVFC Legislative Action Center](#) to mobilize grassroots support for extending VRIPA, including two this month. Those alerts generated thousands of messages from volunteer fire, EMS, and rescue personnel across the nation asking U.S. Representatives and Senators to pass a permanent extension of VRIPA.

VRIPA was originally enacted in 2007 and was in effect from 2008 through 2010, expiring in 2011. That version of VRIPA exempted property tax benefits and up to \$30 per month of active service, or \$360 per year, in other incentives. Last year Congress reauthorized VRIPA for the 2020 tax year, but it had been set to expire on December 31. That version increased the maximum exemption on non-property tax benefits to \$50 per month of active service or \$600 per year. H.R. 113 retains the tax exemption on property tax benefits and up to \$600 per year in other benefits.

“Having VRIPA as a permanent measure in the tax code is going to make it a lot easier for departments and volunteers to take advantage of this tax exemption,” said Hirsch. “The NVFC will be working with the IRS to get clear guidance for departments on how to implement VRIPA. Ideally, departments would simply not have to report tax-exempt benefits. Additionally, once VRIPA is permanent, hopefully we will see states that collect income tax adopt an exemption mirroring the federal tax code.”