

Section 5 of P.L. 110-143

H.R. 3648, the Mortgage Forgiveness Debt Relief Act of 2007

SEC. 5. EXCLUSION FROM INCOME FOR BENEFITS PROVIDED TO VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS.

(a) In General- Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 139A the following new section:

SEC. 139B. BENEFITS PROVIDED TO VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS.

- (a) In General- In the case of any member of a qualified volunteer emergency response organization, gross income shall not include--
- (1) any qualified State and local tax benefit, and
 - (2) any qualified payment.
- (b) Denial of Double Benefits- In the case of any member of a qualified volunteer emergency response organization--
- (1) the deduction under 164 shall be determined with regard to any qualified State and local tax benefit, and
 - (2) expenses paid or incurred by the taxpayer in connection with the performance of services as such a member shall be taken into account under section 170 only to the extent such expenses exceed the amount of any qualified payment excluded from gross income under subsection (a).
- (c) Definitions- For purposes of this section--
- (1) QUALIFIED STATE AND LOCAL TAX BENEFIT- The term 'qualified state and local tax benefit' means any reduction or rebate of a tax described in paragraph (1), (2), or (3) of section 164(a) provided by a State or political division thereof on account of services performed as a member of a qualified volunteer emergency response organization.
 - (2) QUALIFIED PAYMENT-
 - (A) IN GENERAL- The term 'qualified payment' means any payment (whether reimbursement or otherwise) provided by a State or political division thereof on account of the performance of services as a member of a qualified volunteer emergency response organization.
 - (B) APPLICABLE DOLLAR LIMITATION- The amount determined under subparagraph (A) for any taxable year shall not exceed \$30 multiplied by the number of months during such year that the taxpayer performs such services.
 - (3) QUALIFIED VOLUNTEER EMERGENCY RESPONSE ORGANIZATION- The term 'qualified volunteer emergency response organization' means any volunteer organization--
 - (A) which is organized and operated to provide firefighting or emergency medical services for persons in the State or political subdivision, as the case may be, and
 - (B) which is required (by written agreement) by the State or political subdivision to furnish firefighting or emergency medical services in such State or political subdivision.
- (d) Termination- This section shall not apply with respect to taxable years beginning after December 31, 2010.'
- (b) Clerical Amendment- The table of sections for such part is amended by inserting after the item relating to section 139A the following new item:
- Sec. 139B. Benefits provided to volunteer firefighters and emergency medical responders.'
- (c) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2007.