

1 AN ACT relating to volunteer firefighters.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Active volunteer firefighter" means a firefighter who:*

7 *1. Volunteers for a qualified fire department;*

8 *2. Is active with a qualified fire department for the entire taxable year for*
9 *which the credit is claimed; and*

10 *3. Appears on the list of certified volunteer firefighters provided by the*
11 *commission pursuant to subsection (4) of this section;*

12 *(b) "Commission" means the Kentucky Fire Commission; and*

13 *(c) "Qualified fire department" has the same meaning as in KRS 95A.510.*

14 *(2) For taxable years beginning on or after January 1, 2025, but before January 1,*
15 *2029, a refundable credit shall be allowed for an active volunteer firefighter*
16 *against the tax imposed by KRS 141.020 in the amount of one thousand dollars*
17 *(\$1,000), with the ordering of credits as provided in Section 2 of this Act.*

18 *(3) (a) The purpose of the credit permitted by subsection (2) of this section is to*
19 *increase the number of active volunteer firefighters volunteering with a*
20 *qualified fire department in the Commonwealth.*

21 *(b) In order for the General Assembly to evaluate the fulfillment of the purpose*
22 *stated in paragraph (a) of this subsection, the department shall provide the*
23 *following information on a cumulative basis for each taxable year to*
24 *provide a historical impact of the tax credit to the Commonwealth:*

25 *1. The number of taxpayers that claimed the credit for each taxable year;*

26 *2. The total amount of credit claimed for each taxable year; and*

27 *3. Based on ranges of adjusted gross income of no larger than five*

1 thousand dollars (\$5,000), the total amount of credits claimed for each
2 adjusted gross income range.

3 (c) The report required by paragraph (b) of this subsection shall be submitted
4 to the Legislative Research Commission and the Interim Joint Committee
5 on Appropriations and Revenue beginning no later than November 1, 2026,
6 and no later than each November 1 thereafter, as long as the credit is
7 claimed on any return processed by the department.

8 (d) The information required to be reported under this subsection shall not be
9 considered confidential taxpayer information and shall not be subject to
10 KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes
11 prohibiting disclosure or reporting of information.

12 (4) The commission shall provide to the department an annual list of all certified
13 volunteer firefighters on or before January 15, 2026, and on or before every
14 January 15 thereafter, as long as the credit permitted by subsection (2) of this
15 section is available.

16 ➔Section 2. KRS 141.0205 is amended to read as follows:

17 If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax
18 imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of
19 the credits shall be determined as follows:

20 (1) The nonrefundable business incentive credits against the tax imposed by KRS
21 141.020 shall be taken in the following order:

22 (a) The limited liability entity tax credit permitted by KRS 141.0401;

23 (b) The economic development credits computed under KRS 141.347, 141.381,
24 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
25 154.12-2088;

26 (c) The qualified farming operation credit permitted by KRS 141.412;

27 (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);

- 1 (e) The health insurance credit permitted by KRS 141.062;
- 2 (f) The tax paid to other states credit permitted by KRS 141.070;
- 3 (g) The credit for hiring the unemployed permitted by KRS 141.065;
- 4 (h) The recycling or composting equipment credit permitted by KRS 141.390;
- 5 (i) The tax credit for cash contributions in investment funds permitted by KRS
- 6 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
- 7 154.20-258;
- 8 (j) The research facilities credit permitted by KRS 141.395;
- 9 (k) The employer High School Equivalency Diploma program incentive credit
- 10 permitted under KRS 151B.402;
- 11 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 12 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 13 (n) The clean coal incentive credit permitted by KRS 141.428;
- 14 (o) The ethanol credit permitted by KRS 141.4242;
- 15 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 16 (q) The energy efficiency credits permitted by KRS 141.436;
- 17 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 18 (s) The Endow Kentucky credit permitted by KRS 141.438;
- 19 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 20 (u) The distilled spirits credit permitted by KRS 141.389;
- 21 (v) The angel investor credit permitted by KRS 141.396;
- 22 (w) The film industry credit permitted by KRS 141.383 for applications approved
- 23 on or after April 27, 2018, but before January 1, 2022;
- 24 (x) The inventory credit permitted by KRS 141.408; and
- 25 (y) The renewable chemical production credit permitted by KRS 141.4231;
- 26 (2) After the application of the nonrefundable credits in subsection (1) of this section,
- 27 the nonrefundable personal tax credits against the tax imposed by KRS 141.020

1 shall be taken in the following order:

- 2 (a) The individual credits permitted by KRS 141.020(3);
3 (b) The credit permitted by KRS 141.066;
4 (c) The tuition credit permitted by KRS 141.069;
5 (d) The household and dependent care credit permitted by KRS 141.067;
6 (e) The income gap credit permitted by KRS 141.066; and
7 (f) The Education Opportunity Account Program tax credit permitted by KRS
8 141.522;

9 (3) After the application of the nonrefundable credits provided for in subsection (2) of
10 this section, the refundable credits against the tax imposed by KRS 141.020 shall be
11 taken in the following order:

- 12 (a) The individual withholding tax credit permitted by KRS 141.350;
13 (b) The individual estimated tax payment credit permitted by KRS 141.305;
14 (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
15 171.397(1)(b);
16 (d) The film industry tax credit permitted by KRS 141.383 for applications
17 approved prior to April 27, 2018, or on or after January 1, 2022;
18 (e) The development area tax credit permitted by KRS 141.398;
19 (f) The decontamination tax credit permitted by KRS 141.419;~~and~~
20 (g) The pass-through entity tax credit permitted by KRS 141.209; **and**
21 **(h) The volunteer firefighter tax credit permitted by Section 1 of this Act;**

22 (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the
23 tax imposed by KRS 141.040;

24 (5) The following nonrefundable credits shall be applied against the sum of the tax
25 imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)
26 of this section, and the tax imposed by KRS 141.0401 in the following order:

- 27 (a) The economic development credits computed under KRS 141.347, 141.381,

- 1 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
2 154.12-2088;
- 3 (b) The qualified farming operation credit permitted by KRS 141.412;
- 4 (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 5 (d) The health insurance credit permitted by KRS 141.062;
- 6 (e) The unemployment credit permitted by KRS 141.065;
- 7 (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 8 (g) The coal conversion credit permitted by KRS 141.041;
- 9 (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods
10 ending prior to January 1, 2008;
- 11 (i) The tax credit for cash contributions to investment funds permitted by KRS
12 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
13 154.20-258;
- 14 (j) The research facilities credit permitted by KRS 141.395;
- 15 (k) The employer High School Equivalency Diploma program incentive credit
16 permitted by KRS 151B.402;
- 17 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 18 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 19 (n) The clean coal incentive credit permitted by KRS 141.428;
- 20 (o) The ethanol credit permitted by KRS 141.4242;
- 21 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 22 (q) The energy efficiency credits permitted by KRS 141.436;
- 23 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit
24 permitted by KRS 141.437;
- 25 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 26 (t) The railroad expansion credit permitted by KRS 141.386;
- 27 (u) The Endow Kentucky credit permitted by KRS 141.438;

- 1 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 2 (w) The distilled spirits credit permitted by KRS 141.389;
- 3 (x) The film industry credit permitted by KRS 141.383 for applications approved
- 4 on or after April 27, 2018, but before January 1, 2022;
- 5 (y) The inventory credit permitted by KRS 141.408;
- 6 (z) The renewable chemical production tax credit permitted by KRS 141.4231;
- 7 and
- 8 (aa) The Education Opportunity Account Program tax credit permitted by KRS
- 9 141.522; and
- 10 (6) After the application of the nonrefundable credits in subsection (5) of this section,
- 11 the refundable credits shall be taken in the following order:
- 12 (a) The corporation estimated tax payment credit permitted by KRS 141.044;
- 13 (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
- 14 171.397(1)(b);
- 15 (c) The film industry tax credit permitted by KRS 141.383 for applications
- 16 approved prior to April 27, 2018, or on or after January 1, 2022;
- 17 (d) The decontamination tax credit permitted by KRS 141.419; and
- 18 (e) The pass-through entity tax credit permitted by KRS 141.209.

19 ➔Section 3. KRS 131.190 is amended to read as follows:

- 20 (1) No present or former commissioner or employee of the department, present or
- 21 former member of a county board of assessment appeals, present or former property
- 22 valuation administrator or employee, present or former secretary or employee of the
- 23 Finance and Administration Cabinet, former secretary or employee of the Revenue
- 24 Cabinet, or any other person, shall intentionally and without authorization inspect
- 25 or divulge any information acquired by him or her of the affairs of any person, or
- 26 information regarding the tax schedules, returns, or reports required to be filed with
- 27 the department or other proper officer, or any information produced by a hearing or

1 investigation, insofar as the information may have to do with the affairs of the
2 person's business.

3 (2) The prohibition established by subsection (1) of this section shall not extend to:

4 (a) Information required in prosecutions for making false reports or returns of
5 property for taxation, or any other infraction of the tax laws;

6 (b) Any matter properly entered upon any assessment record, or in any way made
7 a matter of public record;

8 (c) Furnishing any taxpayer or his or her properly authorized agent with
9 information respecting his or her own return;

10 (d) Testimony provided by the commissioner or any employee of the department
11 in any court, or the introduction as evidence of returns or reports filed with the
12 department, in an action for violation of state or federal tax laws or in any
13 action challenging state or federal tax laws;

14 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
15 energy resources assessed under KRS 132.820, or owners of surface land
16 under which the unmined minerals lie, factual information about the owner's
17 property derived from third-party returns filed for that owner's property, under
18 the provisions of KRS 132.820, that is used to determine the owner's
19 assessment. This information shall be provided to the owner on a confidential
20 basis, and the owner shall be subject to the penalties provided in KRS
21 131.990(2). The third-party filer shall be given prior notice of any disclosure
22 of information to the owner that was provided by the third-party filer;

23 (f) Providing to a third-party purchaser pursuant to an order entered in a
24 foreclosure action filed in a court of competent jurisdiction, factual
25 information related to the owner or lessee of coal, oil, gas reserves, or any
26 other mineral resources assessed under KRS 132.820. The department may
27 promulgate an administrative regulation establishing a fee schedule for the

- 1 provision of the information described in this paragraph. Any fee imposed
2 shall not exceed the greater of the actual cost of providing the information or
3 ten dollars (\$10);
- 4 (g) Providing information to a licensing agency, the Transportation Cabinet, or
5 the Kentucky Supreme Court under KRS 131.1817;
- 6 (h) Statistics of gasoline and special fuels gallonage reported to the department
7 under KRS 138.210 to 138.448;
- 8 (i) Providing any utility gross receipts license tax return information that is
9 necessary to administer the provisions of KRS 160.613 to 160.617 to
10 applicable school districts on a confidential basis;
- 11 (j) Providing documents, data, or other information to a third party pursuant to an
12 order issued by a court of competent jurisdiction; or
- 13 (k) Providing information to the Legislative Research Commission under:
- 14 1. KRS 139.519 for purposes of the sales and use tax refund on building
15 materials used for disaster recovery;
- 16 2. KRS 141.436 for purposes of the energy efficiency products credits;
- 17 3. KRS 141.437 for purposes of the ENERGY STAR home and the
18 ENERGY STAR manufactured home credits;
- 19 4. KRS 141.383 for purposes of the film industry incentives;
- 20 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
21 tax credits and the job assessment fees;
- 22 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 23 7. KRS 141.396 for purposes of the angel investor tax credit;
- 24 8. KRS 141.389 for purposes of the distilled spirits credit;
- 25 9. KRS 141.408 for purposes of the inventory credit;
- 26 10. KRS 141.390 for purposes of the recycling and composting credit;
- 27 11. KRS 141.3841 for purposes of the selling farmer tax credit;

- 1 12. KRS 141.4231 for purposes of the renewable chemical production tax
2 credit;
- 3 13. KRS 141.524 for purposes of the Education Opportunity Account
4 Program tax credit;
- 5 14. KRS 141.398 for purposes of the development area tax credit;
- 6 15. KRS 139.516 for the purposes of the sales and use tax exemption on the
7 commercial mining of cryptocurrency;~~and~~
- 8 16. KRS 141.419 for purposes of the decontamination tax credit; and
- 9 17. Section 1 of this Act for purposes of the volunteer firefighter tax
10 credit.

11 (3) The commissioner shall make available any information for official use only and on
12 a confidential basis to the proper officer, agency, board or commission of this state,
13 any Kentucky county, any Kentucky city, any other state, or the federal
14 government, under reciprocal agreements whereby the department shall receive
15 similar or useful information in return.

16 (4) Access to and inspection of information received from the Internal Revenue Service
17 is for department use only, and is restricted to tax administration purposes.
18 Information received from the Internal Revenue Service shall not be made available
19 to any other agency of state government, or any county, city, or other state, and
20 shall not be inspected intentionally and without authorization by any present
21 secretary or employee of the Finance and Administration Cabinet, commissioner or
22 employee of the department, or any other person.

23 (5) Statistics of crude oil as reported to the department under the crude oil excise tax
24 requirements of KRS Chapter 137 and statistics of natural gas production as
25 reported to the department under the natural resources severance tax requirements
26 of KRS Chapter 143A may be made public by the department by release to the
27 Energy and Environment Cabinet, Department for Natural Resources.

1 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
2 submissions for the 1989 tax year, the department may make public or divulge only
3 those portions of mine maps submitted by taxpayers to the department pursuant to
4 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
5 out parcel areas. These electronic maps shall not be relied upon to determine actual
6 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
7 required under KRS Chapters 350 and 352 shall not be construed to constitute land
8 surveying or boundary surveys as defined by KRS 322.010 and any administrative
9 regulations promulgated thereto.

10 ➔Section 4. KRS 75.400 is amended to read as follows:

11 As used in KRS 75.400 to 75.460~~[, unless the context requires otherwise]:~~

- 12 (1) "Commission" means the Kentucky Fire Commission, attached to the Kentucky
13 Community and Technical College System.
- 14 (2) "Fire department" includes all of the officers, firefighters, and clerical and
15 maintenance employees, whether paid or volunteer.
- 16 (3) "Full-time paid firefighter" means an individual who receives a minimum salary of
17 eight thousand dollars (\$8,000) annually, and who works a minimum of two
18 thousand and eighty (2,080) hours per year as an employee of a fire department
19 recognized by the commission.
- 20 (4) "Paid fire department" means a fire department recognized by the commission, of
21 which at least fifty percent (50%) of its firefighters are full-time paid firefighters.
- 22 (5) "Volunteer fire department" means a fire department with a minimum of six
23 (6)~~[twelve (12)]~~ members and a chief, at least one (1) operational fire apparatus or
24 one (1) on order, with fewer than fifty percent (50%) of its firefighters being full-
25 time paid firefighters.

26 ➔Section 5. KRS 342.140 is amended to read as follows:

27 The average weekly wage of the injured employee at the time of the injury or last

1 injurious exposure shall be determined as follows:

- 2 (1) If at the time of the injury which resulted in death or disability or the last date of
3 injurious exposure preceding death or disability from an occupational disease:
- 4 (a) The wages were fixed by the week, the amount so fixed shall be the average
5 weekly wage;
- 6 (b) The wages were fixed by the month, the average weekly wage shall be the
7 monthly wage so fixed multiplied by twelve (12) and divided by fifty-two
8 (52);
- 9 (c) The wages were fixed by the year, the average weekly wage shall be the
10 yearly wage so fixed divided by fifty-two (52);
- 11 (d) The wages were fixed by the day, hour, or by the output of the employee, the
12 average weekly wage shall be the wage most favorable to the employee
13 computed by dividing by thirteen (13) the wages (not including overtime or
14 premium pay) of said employee earned in the employ of the employer in the
15 first, second, third, or fourth period of thirteen (13) consecutive calendar
16 weeks in the fifty-two (52) weeks immediately preceding the injury;
- 17 (e) The employee had been in the employ of the employer less than thirteen (13)
18 calendar weeks immediately preceding the injury, his or her average weekly
19 wage shall be computed under paragraph (d), taking the wages (not including
20 overtime or premium pay) for that purpose to be the amount he or she would
21 have earned had he or she been so employed by the employer the full thirteen
22 (13) calendar weeks immediately preceding the injury and had worked, when
23 work was available to other employees in a similar occupation; and
- 24 (f) The hourly wage has not been fixed or cannot be ascertained, the wage for the
25 purpose of calculating compensation shall be taken to be the usual wage for
26 similar services where the services are rendered by paid employees.
- 27 (2) In occupations which are exclusively seasonal and therefore cannot be carried on

1 throughout the year, the average weekly wage shall be taken to be one-fiftieth
2 (1/50) of the total wages which the employee has earned from all occupations
3 during the twelve (12) calendar months immediately preceding the injury.

4 (3) In the case of volunteer firemen, police, and emergency management agency
5 members or trainees, the income benefits shall be based on the average weekly
6 wage in their regular employment, or fifty percent (50%) of the state average
7 weekly wage, whichever is greater.

8 (4) If the employee was a minor, apprentice, or trainee when injured, and it is
9 established that under normal conditions his or her wages should be expected to
10 increase during the period of disability, that fact may be considered in computing
11 his or her average weekly wage.

12 (5) When the employee is working under concurrent contracts with two (2) or more
13 employers and the defendant employer has knowledge of the employment prior to
14 the injury, his or her wages from all the employers shall be considered as if earned
15 from the employer liable for compensation.

16 (6) The term "wages" as used in this section and KRS 342.143 means, in addition to
17 money payments for services rendered, the reasonable value of board, rent, housing,
18 lodging, and fuel or similar advantage received from the employer, and gratuities
19 received in the course of employment from others than the employer to the extent
20 the gratuities are reported for income tax purposes.

21 (7) The commissioner shall, from time to time, based upon the best available
22 information, determine by administrative regulation industries which ordinarily do not
23 have a full working day for five (5) days in every week. In those industries, compensation
24 shall be computed at the average weekly wage earned by the employee at the time of
25 injury reckoning wages as earned while working full time. "At full time" as used in this
26 subsection means a full working day for five (5) working days in every week regardless
27 of whether the injured employee actually worked all or part of the time.