
Anne Arundel County Volunteer Firefighters Association

Income Tax Incentives for Volunteer Personnel

January 1, 2017

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With the end of calendar year 2017, each of us are now faced with the task of filing for our federal and state income tax. This bulletin provides important information to all volunteer personnel regarding tax incentives that are available to you. This information is to be used only as a guide and you should consult your tax advisor for specific eligibility for benefits.



Maryland State Income Tax Benefit for Volunteer Personnel

The Maryland State Income Tax Incentive allows qualified members to subtract \$3500 from his/her gross salary in recognition for volunteer fire/rescue/EMS services provided. In order to qualify, the member must maintain an active volunteer status under the LOSAP system for 36 months (three years) of the previous 10 years, one of which must include the tax year for which the benefit is being applied. Once qualified, the member will receive a Form MSFA P2.2 from their Company LOSAP Coordinator in early February to be used in the completion of their Maryland Income Tax. This benefit is available to all eligible volunteer personnel whether you itemize your deductions or not. MD Form 502SU line va.

Income Reduction for LOSAP Benefits

For those members who are currently receiving LOSAP benefits, these payments are exempt from Maryland State Income Tax. You must still claim these payments as part of your annual income, but the amount of benefit can be deducted when computing your adjusted gross income. MD Form 502SU line n.



Personal Vehicle Mileage Deduction

Volunteer fire/rescue/EMS members may take a subtraction from their gross salary for personal mileage incurred as a part of their volunteer membership. In order to qualify, the member must maintain records of mileage used and be able to produce this in case of a tax audit. The subtraction is taken using tax form 502V when completing your Maryland Income Tax. Enter the value from 502v onto MD Form 502SU line q.

Income Tax Deductions for those who Itemize their Deductions

Each of the previously described income tax benefits can be taken whether or not you itemize deductions on your income tax return. In addition, volunteer fire/rescue/EMS members who itemize their deductions when completing their income tax claim may take deductions for out of pocket expenses incurred as a part of their volunteer participation. These deductions may include the cost of uniforms, protective equipment, and fees paid for specialized training.

Both of the income tax benefits described above can be taken whether or not you itemize deductions on your income tax return. Each provides you with an opportunity to earn part of your tax money back in recognition of your volunteer service. Better in your pocket than those of the State!!!

