

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3573</b>
<b>Version:</b>	<b>FULLPCS2</b>
<b>Request Number:</b>	<b>10512</b>
<b>Author:</b>	<b>Rep. Pae</b>
<b>Date:</b>	<b>2/28/2024</b>
<b>Impact:</b>	<b>See Analysis Below</b>

**Research Analysis**

The second proposed committee substitute to House Bill 3573 establishes the "Fighting Chance for Firefighters Act." The measure establishes tax credits for firefighters to cover the costs of cancer detection procedures, with a maximum credit of \$250 per year per firefighter. These credits, applicable from January 1, 2025, onwards, can be carried over for up to five years, with annual adjustments to ensure they do not exceed \$1,500,000. Additionally, the measure extends insurance benefits to municipal and county fire departments' employees through the Oklahoma Employees Insurance and Benefits Plans.

Prepared By: Matthew Brenchley

**Fiscal Analysis**

HB 3573 establishes the "Fighting Chance for Firefighters Act," which allows firefighters to receive tax credits, up to Two Hundred Fifty Dollars (\$250) annually per firefighter, for unreimbursed expenses incurred for any medical procedure to detect cancer.

The Oklahoma Tax Commission (OTC) provided the following analysis:

**REVENUE IMPACT:** Based on information received from the Oklahoma State Firefighter's Association, there are approximately 4,500 paid, professional firefighters in Oklahoma, and an additional 10,000 - 12,000 volunteers. Proposed credits for professional and volunteer firefighters are expected to range from \$3.6 million to \$4.1 million, beginning for FY 2026.

Because municipal and county fire departments will pay all costs attributable to their participation in the Oklahoma Employees Insurance and Benefits Plans, no revenue impact is expected for the proposed amendment in Section 4 of this measure.

The proposed credit is not refundable; however, any unused credits may be carried over to five subsequent tax years.

For tax year 2025 and subsequent tax years, total credits used to offset tax must be adjusted annually to limit annual credits to \$1.5 million. If total credits exceed \$1.5 million in any calendar year, the Oklahoma Tax Commission (OTC) will permit any excess over \$1.5 million but will factor such excess into the percentage adjustment formula for subsequent years.

The formula used for the percentage adjustment is \$1.5 million divided by the credits used to offset tax in the second preceding year.<sup>1</sup>

In addition, this measure allows the Employees Group Insurance Division of the Office of Management and Enterprise Services (OMES-EGID) to extend the benefits of the Oklahoma Employees Insurance and Benefits Plans to municipal and county fire departments. Officials

from OMES-EGID confirmed they do not anticipate the provisions of this measure to impact health insurance rates, thus having no impact on the state budget or appropriation.

Prepared By: Alexandra Ladner, House Fiscal Staff

**Other Considerations**

None.

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