

DEPARTMENT OF TAXATION

2022 Fiscal Impact Statement

- | | |
|---|---|
| 1. Patron Kaye Kory | 2. Bill Number <u>HB 874</u> |
| 3. Committee House Finance | House of Origin:
<u> </u> Introduced
<u> X </u> Substitute
<u> </u> Engrossed |
| 4. Title Individual Income Tax; Automated External Defibrillator Deduction | Second House:
<u> </u> In Committee
<u> </u> Substitute
<u> </u> Enrolled |

5. Summary/Purpose:

The Department of Taxation ("the Department") understands that the Patron intends on introducing a substitute for this bill. This fiscal impact statement is based on the substitute.

This bill would provide an individual income tax deduction of up to \$1,200 for the purchase of an automated external defibrillator that is placed in the taxpayer's vehicle. A taxpayer would be permitted to claim the deduction only with respect to an automated external defibrillator that is purchased new and for the taxable year in which the purchase occurred.

This bill would be effective for taxable years beginning on or after January 1, 2022, but before January 1, 2027.

- 6. Budget amendment necessary:** No.
- 7. Fiscal Impact Estimates are:** Unknown. (See Line 8.)
- 8. Fiscal implications:**

Administrative Costs

The Department considers implementation of this bill as routine, and does not require additional funding.

Revenue Impact

This bill would have an unknown negative General Fund revenue impact beginning in Fiscal Year 2023. It is unknown to what extent taxpayers would make qualifying automated external defibrillator purchases and, thereby, be eligible to claim the deduction that this bill would provide.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: No.

11. Other comments:

Proposed Legislation

This bill would provide an individual income tax deduction of up to \$1,200 for the purchase of an automated external defibrillator that is placed in the taxpayer's vehicle. A taxpayer would be permitted to claim the deduction only with respect to an automated external defibrillator that is purchased new and for the taxable year in which the purchase occurred.

"Automated external defibrillator" would be defined as a device that combines a heart monitor and defibrillator and (i) has been approved by the U.S. Food and Drug Administration; (ii) is capable of recognizing the presence or absence of ventricular fibrillation or rapid ventricular tachycardia; (iii) is capable of determining, without intervention by an operator, whether defibrillation should be performed; and (iv) automatically charges and requests delivery of an electrical impulse to an individual's heart upon determining that defibrillation should be performed.

This bill would be effective for taxable years beginning on or after January 1, 2022, but before January 1, 2027.

cc : Secretary of Finance

Date: 1/30/2022 VB
HB874FH1161