Page 1 of 1





http://www.ctnow.com/news/local/hr/hc-swdfire0605.artjun05.story

Council Cuts Tax Break Plan

By DAN UHLINGER Courant Staff Writer

June 5 2002

SOUTH WINDSOR -- Council members have voted to repeal a tax abatement plan for volunteer ambulance workers and firefighters because of an auditor's warning that it could cause problems with the Internal Revenue Service.

The abatement for local volunteers was approved after the state legislature in 1999 enacted a law allowing municipalities to give up to a \$1,000 break in real estate taxes.

Fire Chief Philip B. Crombic Jr. said Tuesday that the abatement program provided an incentive for volunteers and helped in the recruitment of new firefighters. In the year before the law was enacted, there were five new recruits, and in the following year there were 12.

But Mayor William Aman said some tax experts view the abatement as taxable income and believe the town should create an income tax withholding account for the volunteers. The item was mentioned in the town's last annual audit. Because of the cumbersome federal guidelines, the council voted Monday to repeal the abatement.

The council also set aside \$50,000 for the volunteers while the town's lawyers try to figure out another way to help them without incurring a tax liability.

"We put \$50,000 into a special account, if you will, to make it very clear to the volunteer community that this is their due," Aman said.

Copyright 2002, Hartford Courant

