

Tax Tip
Week of October 17, 2011

Beware of the Volunteer Fire Fighter's Credit

In the last federal budget, the government introduced a \$450 non-refundable tax credit for volunteer firefighters. To qualify for the new credit, an individual must meet the following conditions:

- must be a volunteer firefighter in the year
- must complete a minimum of 200 hours of eligible volunteer firefighter services with one or more fire departments in the year

This may be a perk for individuals that perform a valuable service in our community, but there is a catch. Effective in 1998, the government introduced a \$1,000 deduction from income for fire fighters and ambulance personnel. Rather than allowing a firefighter to claim both the new credit and the \$1,000 deduction, the rules state that if individuals claim the \$1,000 deduction, they are ineligible to claim the \$450 credit.