



# INTERNATIONAL ASSOCIATION OF FIRE CHIEFS

*Providing leadership for the fire and emergency services since 1873*

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## **Fire Sprinkler Tax Credit**

Fatal fires across the nation, including the 2003 fire at The Station night club in West Warwick, Rhode Island, which killed 100 people and injured more than 200, clearly show the importance of retrofitting existing buildings with sprinklers. Aside from the devastating personal cost of losing lives, fires cause billions of dollars in property damage each year. In its most recent report, *Fire Loss in the United States During 2004*, the National Fire Protection Association (NFPA) estimated property damage to be approximately \$10 billion in that year alone.

According to NFPA, sprinklers typically reduce the chances of dying in a fire and reduce the average property loss by one-half to two-thirds, compared to where sprinklers are not present. Of note, NFPA has no record of a fire killing more than two people in a completely sprinklered public assembly or educational, institutional or residential building where the system was working properly. Additionally, after investigating the West Warwick nightclub fire, the first recommendation of the National Institute of Standards and Technology (NIST) was to require sprinkler systems for all new and existing nightclubs. During a test, NIST found that a sprinkler system installed in a mockup of The Station night club effectively controlled a fire -- reducing smoke, heat and flashover risk -- started under conditions mimicking the actual event.

### **Where it Stands**

In recognition of the clear benefit that sprinklers provide, Representative Curt Weldon (R-PA) and Senator Rick Santorum (R-PA) have introduced legislation to encourage owners to retrofit their buildings with sprinklers. *The Fire Sprinkler Incentive Act of 2005* (H.R. 1131 and S. 512) would create a federal tax incentive to retrofit automatic fire sprinkler systems in existing buildings. Specifically, the bill would classify automatic fire sprinkler systems as five-year depreciable property. Current federal law allows depreciation over a much longer period of time – more than thirty-nine years in commercial buildings and twenty-seven years in residential rental buildings.

H.R. 1131 has 162 cosponsors in the U.S. House of Representatives, including 14 members of the House Ways and Means Committee, the committee with jurisdiction over the bill. The companion bill, S. 512, has 14 cosponsors, and was referred to the Senate Finance Committee. Both versions of the bill enjoy strong bipartisan support. In November 2005, Representative Weldon testified on H.R. 1131 before the House Ways & Means Committee's Subcommittee on Select Revenue Measures. The IAFC initiated a letter of support from the major fire service organizations, which was included in the hearing record.

### **IAFC Focus**

- The IAFC is working with other fire service organizations to increase awareness for this beneficial safety legislation and secure as many cosponsors for each bill as possible.