

Legislative Analysis



HOME HEATING CREDITS

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House Bill 5798

Sponsor: Rep. Joseph Rivet

Committee: Energy and Technology

Complete to 4-26-04

A SUMMARY OF HOUSE BILL 5798 AS INTRODUCED 4-22-04

A refundable home heating credit is available under the Income Tax Act to low-income households. (The credit is dependent upon federal appropriations made for this purpose.) Generally speaking, the amount of the credit is based on size of household and household income (although there is an alternative calculation that uses household income and actual heating costs). The credit is in the form of an energy draft negotiable through an enrolled heating fuel provider. Currently, the act provides that when the amount of the credit exceeds the cost of outstanding heating bills, the claimant can request the energy provider to refund the excess. Under House Bill 5798, for certain claimants, the amount of a credit that exceeded outstanding heating bills would have to be applied by the energy provider to subsequent bills until used up or until six months had passed. If there was any remaining energy draft amount after the six-month period (or if the claimant was no longer a customer of the provider before the end of the six-month period), then the heating fuel provider would remit it to the claimant within 14 days. This would apply only if the claimant was enrolled in a provider's shut-off protection program and received home heating assistance from the Family Independence Agency, a governmental agency, or a nonprofit organization during the immediately preceding heating season.

The current provisions would continue to apply to a claimant who did not fit the category described above. Those provisions allow a claimant to request a refund or to have the remaining amount of the credit applied to subsequent heating costs until the refund is used up or for one year.

MCL 206.527a

FISCAL IMPACT:

As written, the bill should have no significant fiscal impact.

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