



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 5798 (Substitute S-2 as reported)
Sponsor: Representative Joseph Rivet
House Committee: Energy and Technology
Senate Committee: Technology and Energy

CONTENT

The bill would amend the Income Tax Act to do the following:

- Require the allowable amount of a claimant's home heating credit to be remitted to the claimant in the form of an energy draft, regardless of whether the allowable amount of the credit exceeded the State income tax that otherwise would be due.
- Require the Department of Treasury to submit directly to the provider the energy draft of a claimant whose name was submitted by an enrolled heating fuel provider and who met Department standards, if the Department established a program or pilot program for doing so.
- Require an enrolled fuel heating provider that submitted names of claimants who were not its customers to return the energy drafts or pay their value to the Department plus interest at a rate calculated under the Act for deficiencies in tax payments.
- Require an enrolled heating fuel provider to apply the amount of an energy draft that exceeded a claimant's outstanding heating bills to subsequent bills until the credit was used up, or nine months passed, if the claimant received home heating assistance.

The bill also would limit the amount of low income energy assistance program (LIHEAP) block grant funds used for weatherization purposes to \$9 million less the amount used for weatherization from the emergency contingency funds received in the preceding year. For the State's 2004-05 fiscal year, however, the amount used for weatherization could not exceed \$9 million and could not be reduced by the amount used for weatherization from the emergency contingency funds received in the immediately preceding year.

The bill would apply to tax years beginning after December 31, 2003.

MCL 206.527a

Legislative Analyst: Julie Koval

FISCAL IMPACT

This bill would have no fiscal impact on State or local government. The bill would allow up to \$9 million of the funds currently designated for home heating credits to be used to fund weatherization programs. In order for these funds actually to be spent on weatherization programs, this spending would have to be appropriated by the Legislature.

Date Completed: 7-1-04

Fiscal Analyst: Jay Wortley