

HOUSE BILL No. 4921

September 29, 2015, Introduced by Rep. Greig and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending sections 508, 520, 522, 527a, and 530 (MCL 206.508,
206.520, 206.522, 206.527a, and 206.530), section 508 as amended by
2011 PA 177, section 520 as amended by 2011 PA 273, section 522 as
amended by 2013 PA 206, section 527a as amended by 2014 PA 523, and
section 530 as amended by 2011 PA 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 508. (1) "Gross rent" means the total rent contracted to
2 be paid by the renter or lessee of a homestead pursuant to dealing
3 at arms' length with the landlord of the homestead. When the
4 landlord and tenant have not dealt with each other at arms' length
5 and the department believes that the gross rent charged is
6 excessive, the department may adjust the gross rent to a reasonable
7 amount for the purposes of this chapter.

(2) "Homestead" means a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes, or a service charge in lieu of taxes as provided by section 15a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1415a, owned and occupied as a home by the owner of the dwelling or unit, or occupied as the dwelling of the renter or lessee, including all unoccupied real property not classified for ad valorem tax purposes as commercial, industrial, residential, or timber-cut over, owned by the owner of the homestead. Beginning in the 1990 tax year, a homestead does not include unoccupied real property that is leased or rented by the owner to another person and that is not adjacent and contiguous to the home of the owner. Additionally, the following apply:

(a) If a homestead is an integral part of a larger unit of assessment such as commercial, industrial, residential, timber-cut over, or a multipurpose or multidwelling building, the tax on the homestead shall be the same proportion of the total property tax as the proportion of the value of the homestead is to the total value of the assessed property.

(b) If the gross receipts of the agricultural or horticultural operations do not exceed the household income, or if there are no gross receipts, the following apply:

(i) If the claimant has lived on the land 10 years or more, all of the adjacent and contiguous agricultural or horticultural lands shall be considered a homestead and the credit is allowed for all the land.

(ii) If the claimant has lived on the land less than 10 years,

not more than 5 acres of adjacent and contiguous agricultural or horticultural land shall be considered a part of the homestead and the credit is allowed for that part of the land.

(c) A mobile home or trailer coach in a trailer coach park is a homestead and the site rent for space is considered the rent of a homestead. The specific tax levied by section 41 of 1959 PA 243, MCL 125.1041, is considered a property tax.

(3) "Household" means a claimant and spouse.

(4) ~~"Total household resources"~~ **"HOUSEHOLD INCOME"** means all income received by all persons of a household in a tax year while members of a household. ~~, increased by the following deductions from federal gross income:~~

~~— (a) Any net business loss after netting all business income and loss.~~

~~— (b) Any net rental or royalty loss.~~

~~— (c) Any carryback or carryforward of a net operating loss as defined in section 172(b)(2) of the internal revenue code.~~

Sec. 520. (1) Subject to the limitations and the definitions in this chapter, a claimant may claim against the tax due under this part for the tax year a credit for the property taxes on the taxpayer's homestead deductible for federal income tax purposes pursuant to section 164 of the internal revenue code, or that would have been deductible if the claimant had not elected the zero bracket amount or if the claimant had been subject to the federal income tax. The property taxes used for the credit computation shall not be greater than the amount levied for 1 tax year. ~~An owner is not eligible for a credit under this section if the~~

~~taxable value of his or her homestead excluding the portion of a parcel of real property that is unoccupied and classified as agricultural for ad valorem tax purposes in the year for which the credit is claimed is greater than \$135,000.00. As used in this subsection, "taxable value" means that value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.~~

(2) A person who rents or leases a homestead may claim a similar credit computed under this section and section 522 based upon 17% of the gross rent paid for tax years before the 1994 tax year, or 20% of the gross rent paid for tax years after the 1993 tax year. A person who rents or leases a homestead subject to a service charge in lieu of ad valorem taxes as provided by section 15a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1415a, may claim a similar credit computed under this section and section 522 based upon 10% of the gross rent paid.

(3) If the credit claimed under this section and section 522 exceeds the tax liability for the tax year or if there is no tax liability for the tax year, the amount of the claim not used as an offset against the tax liability shall, after examination and review, be approved for payment, without interest, to the claimant. In determining the amount of the payment under this subsection, withholdings and other credits shall be used first to offset any tax liabilities.

(4) If the homestead is an integral part of a multipurpose or multidwelling building that is federally aided housing or state aided housing, a claimant who is a senior citizen entitled to a

1 payment under subsection (2) may assign the right to that payment
2 to a mortgagor if the mortgagor reduces the rent charged and
3 collected on the claimant's homestead in an amount equal to the tax
4 credit payment provided in this chapter. The assignment of the
5 claim is valid only if the Michigan state housing development
6 authority, by affidavit, verifies that the claimant's rent has been
7 so reduced.

8 (5) Only the renter or lessee shall claim a credit on property
9 that is rented or leased as a homestead.

10 (6) A person who discriminates in the charging or collection
11 of rent on a homestead by increasing the rent charged or collected
12 because the renter or lessee claims and receives a credit or
13 payment under this chapter is guilty of a misdemeanor.
14 Discrimination against a renter who claims and receives the credit
15 under this section and section 522 by a reduction of the rent on
16 the homestead of a person who does not claim and receive the credit
17 is a misdemeanor. If discriminatory rents are charged or collected,
18 each charge or collection of the higher or lower payment is a
19 separate offense. Each acceptance of a payment of rent is a
20 separate offense.

21 (7) A person who received aid to families with dependent
22 children, state family assistance, or state disability assistance
23 pursuant to the social welfare act, 1939 PA 280, MCL 400.1 to
24 400.119b, in the tax year for which the person is filing a return
25 shall have a credit that is authorized and computed under this
26 section and section 522 reduced by an amount equal to the product
27 of the claimant's credit multiplied by the quotient of the sum of

1 the claimant's aid to families with dependent children, state
 2 family assistance, and state disability assistance for the tax year
 3 divided by the claimant's ~~total household resources~~. **HOUSEHOLD**
 4 **INCOME**. The reduction of credit shall not exceed the sum of the aid
 5 to families with dependent children, state family assistance, and
 6 state disability assistance for the tax year. For the purposes of
 7 this subsection, aid to families with dependent children does not
 8 include child support payments that offset or reduce payments made
 9 to the claimant.

10 (8) A credit under subsection (1) or (2) shall be reduced by
 11 10% for each claimant whose ~~total household resources exceed~~
 12 ~~\$41,000.00~~ **HOUSEHOLD INCOME EXCEEDS \$91,000.00** and by an additional
 13 10% for each increment of \$1,000.00 of ~~total household resources~~
 14 **HOUSEHOLD INCOME** in excess of ~~\$41,000.00~~ **\$91,000.00**.

15 (9) If the credit authorized and calculated under this section
 16 and section 522 and adjusted under subsection (7) or (8) does not
 17 provide to a senior citizen who rents or leases a homestead that
 18 amount attributable to rent that constitutes more than 40% of the
 19 ~~total household resources~~ **HOUSEHOLD INCOME** of the senior citizen,
 20 the senior citizen may claim a credit based upon the amount of
 21 ~~total household resources~~ **HOUSEHOLD INCOME** attributable to rent as
 22 provided by this section.

23 (10) A senior citizen whose gross rent paid for the tax year
 24 is more than the percentage of ~~total household resources~~ **HOUSEHOLD**
 25 **INCOME** specified in subsection (9) for the respective tax year may
 26 claim a credit for the amount of rent paid that constitutes more
 27 than the percentage of the ~~total household resources~~ **HOUSEHOLD**

1 **INCOME** of the senior citizen specified in subsection (9) and that
2 was not provided to the senior citizen by the credit computed
3 pursuant to this section and section 522 and adjusted pursuant to
4 subsection (7) or (8).

5 (11) The department may promulgate rules to implement
6 subsections (9) to (15) and may prescribe a table to allow a
7 claimant to determine the credit provided under this section and
8 section 522 in the instruction booklet that accompanies the
9 respective income tax or property tax credit forms used by
10 claimants.

11 (12) A senior citizen may claim the credit under subsections
12 (9) to (15) on the same form as the property tax credit permitted
13 by subsection (2). The department shall adjust the forms
14 accordingly.

15 (13) A senior citizen who moves to a different rented or
16 leased homestead shall determine, for 2 tax years after the move,
17 both his or her qualification to claim a credit under subsections
18 (9) to (15) and the amount of a credit under subsections (9) to
19 (15) on the basis of the annualized final monthly rental payment at
20 his or her previous homestead, if this annualized rental is less
21 than the senior citizen's actual annual rental payments.

22 (14) For a return of less than 12 months, the claim for a
23 credit under subsections (9) to (15) shall be reduced
24 proportionately.

25 (15) The total credit allowed by this section and section 522
26 shall not exceed \$1,200.00 per year.

27 Sec. 522. (1) The amount of a claim made pursuant to this

chapter shall be determined as follows:

(a) A claimant ~~who is not a senior citizen~~ is entitled to a credit against the state income tax liability under this part equal to 60% of the amount by which the property taxes on the homestead, or the credit for rental of the homestead for the tax year, exceeds 3.5% of the claimant's ~~total household resources~~ **HOUSEHOLD INCOME** for that tax year.

~~—— (b) A claimant who is a senior citizen is entitled to a credit against the state income tax liability under this part equal to the following:~~

~~—— (i) For a claimant with total household resources of \$21,000.00 or less, an amount as determined in accordance with subdivision (c).~~

~~—— (ii) For a claimant with total household resources of more than \$21,000.00 and less than or equal to \$22,000.00, an amount equal to 96% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (iii) For a claimant with total household resources of more than \$22,000.00 and less than or equal to \$23,000.00, an amount equal to 92% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (iv) For a claimant with total household resources of more than \$23,000.00 and less than or equal to \$24,000.00, an amount equal to 88% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax~~

~~year and 3.5% of total household resources.~~

~~—— (v) For a claimant with total household resources of more than \$24,000.00 and less than or equal to \$25,000.00, an amount equal to 84% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (vi) For a claimant with total household resources of more than \$25,000.00 and less than or equal to \$26,000.00, an amount equal to 80% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (vii) For a claimant with total household resources of more than \$26,000.00 and less than or equal to \$27,000.00, an amount equal to 76% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (viii) For a claimant with total household resources of more than \$27,000.00 and less than or equal to \$28,000.00, an amount equal to 72% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (ix) For a claimant with total household resources of more than \$28,000.00 and less than or equal to \$29,000.00, an amount equal to 68% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (x) For a claimant with total household resources of more than~~

~~\$29,000.00 and less than or equal to \$30,000.00, an amount equal to 64% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

~~—— (xi) For a claimant with total household resources of more than \$30,000.00, an amount equal to 60% of the difference between the property taxes on the homestead or the credit for rental of the homestead for the tax year and 3.5% of total household resources.~~

(B) ~~(c)~~ A claimant who is a senior citizen with total household resources of ~~\$21,000.00 or less~~ or a paraplegic, hemiplegic, or quadriplegic and for tax years that begin after December 31, 1999, a claimant who is totally and permanently disabled, deaf, or, for tax years that begin after December 31, 2012, blind is entitled to a credit against the state income tax liability for the amount by which the property taxes on the homestead, the credit for rental of the homestead, or a service charge in lieu of ad valorem taxes as provided by section 15a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1415a, for the tax year exceeds the percentage of the claimant's ~~total household resources~~ **HOUSEHOLD INCOME** for that tax year computed as follows:

Total household resources HOUSEHOLD INCOME	Percentage
Not over \$3,000.00	.0%
Over \$3,000.00 but not over \$4,000.00	1.0%
Over \$4,000.00 but not over \$5,000.00	2.0%
Over \$5,000.00 but not over \$6,000.00	3.0%
Over \$6,000.00	3.5%

1 (C) ~~(d)~~—A claimant who is an eligible serviceperson, eligible
2 veteran, or eligible widow or widower is entitled to a credit
3 against the state income tax liability for a percentage of the
4 property taxes on the homestead for the tax year not in excess of
5 100% determined as follows:

6 (i) Divide the taxable value allowance specified in section
7 506 by the taxable value of the homestead or, if the eligible
8 serviceperson, eligible veteran, or eligible widow or widower
9 leases or rents a homestead, divide 17% of the total annual rent
10 paid for tax years before the 1994 tax year, or 20% of the total
11 annual rent paid for tax years after the 1993 tax year on the
12 property by the property tax rate on the property.

13 (ii) Multiply the property taxes on the homestead by the
14 percentage computed in subparagraph (i).

15 (D) ~~(e)~~—A claimant who is blind is entitled to a credit
16 against the state income tax liability for a percentage of the
17 property taxes on the homestead for the tax year determined as
18 follows:

19 (i) If the taxable value of the homestead is \$3,500.00 or
20 less, 100% of the property taxes.

21 (ii) If the taxable value of the homestead is more than
22 \$3,500.00, the percentage that \$3,500.00 bears to the taxable value
23 of the homestead.

24 (2) A person who is qualified to make a claim under more than
25 1 classification shall elect the classification under which the
26 claim is made.

27 (3) Only 1 claimant per household for a tax year is entitled

1 to the credit, unless both the husband and wife filing a joint
2 return are blind, then each shall be considered a claimant.

3 (4) As used in this section, "totally and permanently
4 disabled" means disability as defined in section 216 of title II of
5 the social security act, 42 USC 416.

6 (5) A senior citizen who has ~~total household resources~~
7 **HOUSEHOLD INCOME** for the tax year of \$6,000.00 or less and who for
8 1973 received a senior citizen homestead exemption under former
9 section 7c of the general property tax act, 1893 PA 206, may
10 compute the credit against the state income tax liability for a
11 percentage of the property taxes on the homestead for the tax year
12 determined as follows:

13 (a) If the taxable value of the homestead is \$2,500.00 or
14 less, 100% of the property taxes.

15 (b) If the taxable value of the homestead is more than
16 \$2,500.00, the percentage that \$2,500.00 bears to the taxable value
17 of the homestead.

18 (6) For a return of less than 12 months, the claim shall be
19 reduced proportionately.

20 (7) The department may prescribe tables that may be used to
21 determine the amount of the claim.

22 (8) The total credit allowed in this section for each year
23 after December 31, 1975 shall not exceed \$1,200.00 per year.

24 (9) The total credit allowable under this part and part 361 of
25 the natural resources and environmental protection act, 1994 PA
26 451, MCL 324.36101 to 324.36117, shall not exceed the total
27 property tax due and payable by the claimant in that year. The

amount by which the credit exceeds the property tax due and payable shall be deducted from the credit claimed under part 361 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36117.

Sec. 527a. (1) Subject to subsections (18) and (19), a claimant may claim a credit for heating fuel costs for the claimant's homestead in this state. An adult foster care home, nursing home, home for the aged, or substance abuse center is not a homestead for purposes of this section. The credit shall be determined in the following manner:

(a) Subject to subsections (18) and (19), the following table shall be used for the computation of a credit as computed under subdivision (c):

Exemptions	0 or 1	2	3	4	5	6 or more
Credit	\$272	\$326	\$379	\$450	\$525	\$601 + \$76 for each exemption over 6

(b) The amounts in the table in subdivision (a) shall be adjusted each year as necessary by the department so that a claimant with ~~total-household resources~~**INCOME** of less than 110% of the federal poverty income standards as defined and determined annually by the United States office of management and budget is not denied a credit.

(c) A claimant shall receive the greater of the credit amount as determined in subparagraph (i) or (ii):

(i) Subtract 3.5% of the claimant's ~~total-household resources~~**INCOME** from the amount specified in subdivision (a) that

1 corresponds with the number of exemptions claimed in the return
 2 filed under this part, except that the number of exemptions for
 3 purposes of this subdivision shall not exceed the actual number of
 4 persons living in the household plus the additional personal
 5 exemptions allowed under section 30, and any dependency exemptions
 6 for a person or persons living in the household under a custodial
 7 arrangement, even if the exemptions may not be claimed for other
 8 income tax purposes. For a claimant whose heating costs are
 9 included in his or her rent, multiply the result of the preceding
 10 calculation by 50%.

11 (ii) Subject to subsection (2), for a claimant whose ~~total~~
 12 household ~~resources do~~ **INCOME DOES** not exceed the maximum specified
 13 in the following table, as adjusted, that corresponds with the
 14 number of exemptions claimed in the return filed under this part,
 15 subtract 11% of claimant's ~~total household resources~~ **INCOME** from
 16 the total cost incurred by a claimant for heating fuel from a
 17 heating fuel provider during the 12 consecutive monthly billing
 18 periods ending in October of the tax year, and multiply the
 19 resulting amount by 70%:

20	Exemptions	0 or 1	2	3	4	5	For each
21							exemption
22							over 5,
23							add
24							\$2,441.00
25							to the
26							maximum
27							total

1						household
2						resources
						INCOME
3	Maximum					
4	Total					
5	Household					
6	Resources	\$7,060	\$9,501	\$11,943	\$14,382	\$16,824
	INCOME					

7 (d) The maximum cost incurred by a claimant for heating fuel
 8 during a tax year shall be adjusted by multiplying the maximum cost
 9 for the immediately preceding tax year by the percentage by which
 10 the average all urban Detroit consumer price index for fuels and
 11 other utilities for the 12 months ending August 31 of the tax year
 12 for which the credit is claimed exceeds that index's average for
 13 the 12 months ending on August 31 of the previous tax year, but not
 14 more than 10%. That product shall be added to the maximum cost of
 15 the immediately preceding tax year and then rounded to the nearest
 16 whole dollar. That dollar amount is the new maximum cost for the
 17 current tax year. If the claimant received any credits to his or
 18 her heating bill during the tax year, as provided for in subsection
 19 (6), the credits shall be treated as costs incurred by the
 20 claimant.

21 (e) The maximum ~~total-household resources~~**INCOME** specified in
 22 subdivision (c)(ii) shall be adjusted by multiplying the respective
 23 maximum ~~total-household resources~~**INCOME** for the immediately
 24 preceding tax year by the percentage by which the average all urban
 25 Detroit consumer price index for all items for the 12 months ending
 26 August 31 of the tax year for which the credit is claimed exceeds
 27 that index's average for the 12 months ending on August 31 of the

1 immediately preceding tax year, but not more than 10%. That product
2 shall be added to the immediately preceding tax year's respective
3 maximum ~~total-household resources~~**INCOME** and then rounded to the
4 nearest whole dollar. That dollar amount is the new maximum level
5 for ~~total-household resources~~**INCOME** for the then current tax year.

6 (2) An enrolled heating fuel provider shall notify each of its
7 customers, not later than December 15 of each year, of the
8 availability, upon request, of the information necessary for
9 determining the credit under this section. For a claimant for whom,
10 at the time of filing, the department of human services is making
11 direct vendor payments to an enrolled heating fuel provider, the
12 enrolled heating fuel provider that accepts the direct payments
13 shall provide the information necessary to determine the credit
14 before February 1 of each year. If an enrolled heating fuel
15 provider refuses or fails to provide to a customer the information
16 required to determine the credit, or if the claimant is not a
17 customer of an enrolled heating fuel provider, a claimant may
18 determine the credit provided in subsection (1)(c)(ii) based on his
19 or her own records.

20 (3) A credit claimed on a return that covers a period of less
21 than 12 months shall be calculated based on subsection (1)(c)(i)
22 and shall be reduced proportionately.

23 (4) The allowable amount of the credit under this section
24 shall be remitted to the claimant, other than a claimant whose
25 heating costs are included in his or her rent, in the form of an
26 energy draft that states the name of the claimant and is issued by
27 the department. For a claimant for whom, at the time of filing, the

1 department of human services has identified the enrolled heating
2 fuel provider or is making direct vendor payments to an enrolled
3 heating fuel provider, the department shall send the energy draft
4 directly to the claimant's enrolled heating fuel provider, as
5 identified by the claimant. If the department establishes a program
6 or pilot program for the direct payment of energy drafts to
7 enrolled heating fuel providers, enrolled heating fuel providers
8 may submit to the department, in a manner prescribed by the
9 department, the names of their customers who are claimants. If a
10 claimant whose name has been submitted meets the standards
11 established by the department, the department shall send that
12 claimant's energy draft directly to the claimant's enrolled heating
13 fuel provider. If the enrolled heating fuel provider submits names
14 of claimants who are not its customers and the energy drafts of any
15 of those claimants are sent to the enrolled heating fuel provider,
16 the enrolled heating fuel provider shall return the energy drafts
17 or pay the value of the energy drafts to the department plus
18 interest on the amount of the energy drafts at the rate calculated
19 under section 23 of 1941 PA 122, MCL 205.23, for deficiencies in
20 tax payments. Except as provided in subsection (5), after July 31,
21 a refundable credit for a prior tax year may be paid in the form of
22 a negotiable warrant. The energy draft shall be negotiable only
23 through the claimant's enrolled heating fuel provider upon
24 remittance by the claimant.

25 (5) If a claimant received home heating assistance from the
26 department of human services, a governmental agency, or a nonprofit
27 organization 12 months prior to remitting an energy draft to the

1 claimant's enrolled heating fuel provider and the amount of the
2 energy draft is greater than the total of outstanding bills
3 incurred by the claimant with the enrolled heating fuel provider as
4 of the date that the energy draft was remitted to the enrolled
5 heating fuel provider, the enrolled heating fuel provider shall
6 first apply the full amount of the energy draft to the claimant's
7 outstanding bills and then apply any remaining amount to subsequent
8 bills of the claimant until the full amount of the energy draft is
9 used up or the expiration of 9 months after the date on which the
10 energy draft was first applied to cover the claimant's outstanding
11 bills. If there is any remaining energy draft amount at the end of
12 the 9-month period, or if before the end of the 9-month period the
13 claimant is no longer a customer of the enrolled heating fuel
14 provider, the enrolled heating fuel provider shall remit the
15 remaining amount to the claimant in the form of a fully negotiable
16 check within 14 days after the end of the 9-month period or 14 days
17 after the termination of services, whichever occurs sooner. If the
18 claimant did not receive home heating assistance from the
19 department of human services, a governmental agency, or a nonprofit
20 organization 12 months prior to remitting an energy draft, the
21 claimant, by checking the appropriate box to be included on the
22 energy draft or application for participation with an enrolled
23 heating fuel provider, may request from the enrolled heating fuel
24 provider a payment equal to the amount of the energy draft less the
25 amount of the outstanding bills. The enrolled heating fuel provider
26 shall issue the payment within 14 days after the claimant's
27 request. For purposes of this subsection, home heating assistance

1 does not include the credit allowed under this section.

2 (6) If a claimant whose energy draft exceeds his or her
3 outstanding bills does not request a payment from an enrolled
4 heating fuel provider under subsection (5), an energy draft
5 remitted to an enrolled heating fuel provider shall be applied upon
6 receipt to the claimant's designated account. The energy draft may
7 be used to cover outstanding bills that the claimant has incurred
8 with the enrolled heating fuel provider and to cover subsequent
9 heating costs until the full amount of the energy draft is used or
10 until 1 year after the date on which the energy draft is first
11 applied to the claimant's designated account. If a credit amount
12 remains from this energy draft after the 1-year period, or if prior
13 to the end of the 1-year period a claimant is no longer a customer
14 of the enrolled heating fuel provider, the heating fuel provider
15 shall remit the remaining unused portion to the claimant in the
16 form of a fully negotiable check within 14 days after the end of
17 the 1-year period or within 14 days after termination of service,
18 whichever is sooner.

19 (7) A claimant who is no longer a resident of this state, who
20 is not a customer of an enrolled heating fuel provider, or whose
21 heating fuel provider refuses to accept an energy draft shall
22 return the energy draft to the department and request the issuance
23 of a negotiable warrant. A claimant may return an energy draft to
24 the department and request issuance of a negotiable warrant if the
25 energy draft is impractical because the claimant has already
26 purchased his or her energy supply for the year and does not have
27 an outstanding obligation to an enrolled heating fuel provider. The

1 department may honor that request if it agrees that the use of the
2 energy draft is impractical. The department shall issue the warrant
3 within 14 days after receiving the energy draft from the claimant.

4 (8) The enrolled heating fuel provider shall bill the
5 department for credit amounts that have been applied to claimant
6 accounts pursuant to subsection (6), and the department shall pay
7 the bills within 14 days of receipt. The billing shall be
8 accompanied by the energy drafts for which reimbursement is
9 claimed.

10 (9) A claimant whose heating fuel is provided by a utility
11 regulated by the Michigan public service commission is protected
12 against the discontinuance of his or her heating fuel service from
13 the date of filing a claim for the credit under this section
14 through the date of issuance of an energy draft and during a period
15 beginning December 1 of the tax year for which the credit is
16 claimed and ending March 31 of the following year if the claimant
17 participates in the winter protection program set forth in R
18 460.148 of the Michigan administrative code or if the utility
19 accepts the claimant's energy draft. The acceptance of an energy
20 draft by a utility is considered a request by the claimant for the
21 winter protection program. The energy draft shall be coded by the
22 department to denote claimants who are 65 years of age or older. If
23 the claimant is a claimant whose heating cost is included in his or
24 her rent payments, the amount of the claim not used as an offset
25 against the state income tax, after examination and review, shall
26 be approved for payment, without interest, to the claimant.

27 (10) If an enrolled heating fuel provider does not issue a

1 payment or a negotiable check within 14 days or as otherwise
2 provided in subsection (5) or (6), beginning on the fifteenth day
3 or the fifteenth day after the expiration of the 9-month period
4 under subsection (5), the amount due to the claimant is increased
5 by adding interest computed on the basis of the rate of interest
6 prescribed for delayed refunds of excess tax payments in section
7 30(3) of 1941 PA 122, MCL 205.30. The enrolled heating fuel
8 provider shall pay the interest and shall not bill the interest to
9 or be reimbursed for the interest by the department.

10 (11) Only the renter or lessee shall claim a credit on
11 property that is rented or leased as a homestead. Only 1 credit may
12 be claimed for a household. The credit under this section is in
13 addition to other credits to which the claimant is entitled under
14 this part. A person who is a full-time student at a school,
15 community college, or college or university and who is claimed as a
16 dependent by another person is not eligible for the credit provided
17 by this section. A claimant who shares a homestead with other
18 eligible claimants shall prorate the credit by the number of
19 claimants sharing the homestead.

20 (12) A claimant who is eligible for the credit provided by
21 this section shall be referred by the department to the appropriate
22 state agency for determination of eligibility for home
23 weatherization assistance and shall accept weatherization
24 assistance if eligible and if assistance is available. A heating
25 fuel provider that is required by the Michigan public service
26 commission to participate in the residential conservation services
27 home energy analysis program shall annually contact each claimant

1 to whom it provides heating fuel, and whose usage exceeds 200,000
2 cubic feet of natural gas or 18,000 kilowatt hours of electricity
3 annually, and shall offer to provide a home energy analysis at no
4 cost to the claimant. A heating fuel provider that is not required
5 to participate in the residential conservation services program
6 shall not be required to conduct a home energy analysis for its
7 customers. For all rental properties that are weatherized pursuant
8 to this section, each agency that determines eligibility for
9 weatherization assistance shall require that not less than 25% of
10 the total cost of the weatherization services for that property
11 shall be contributed by the property owner unless the property
12 owner is also eligible for weatherization assistance or is a
13 nonprofit organization, governmental agency, or municipal
14 corporation.

15 (13) If an enrolled heating fuel provider is regulated by the
16 Michigan public service commission, the Michigan public service
17 commission may use an enforcement method authorized by law or rule
18 to enforce the requirements prescribed by this section on the
19 enrolled heating fuel provider. If an enrolled heating fuel
20 provider is not regulated by the Michigan public service
21 commission, the department of human services may use an enforcement
22 method authorized by law or rule to enforce the requirements
23 prescribed by this section on the enrolled heating fuel provider.

24 (14) The department shall mail a home heating credit return to
25 every person who received assistance through the department of
26 human services pursuant to the social welfare act, 1939 PA 280, MCL
27 400.1 to 400.119b, during the tax year.

1 (15) The department shall complete a study by August 1 of
2 1985, and of each subsequent year, of the actual heating costs of
3 each claimant who received a credit from the department under this
4 section for the immediately preceding tax year.

5 (16) The department may promulgate rules necessary to
6 administer this section pursuant to the administrative procedures
7 act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

8 (17) The department shall provide a simplified procedure for
9 claiming the credit under this section for claimants for whom, at
10 the time of filing, the department of human services is making
11 direct vendor payments to an enrolled heating fuel provider.

12 (18) For the 2001 tax year and each tax year after the 2001
13 tax year, the credit under this section is allowed only if there
14 has been a federal appropriation for the federal fiscal year
15 beginning in the tax year of federal low income home energy
16 assistance program block grant funds of any amount. If the amount
17 of federal low income home energy assistance program block grant
18 funds available for the home heating credit is less than the full
19 home heating credit amount, each individual credit claimed under
20 this section shall be reduced by multiplying the credit amount by a
21 fraction, the numerator of which is the amount available for the
22 home heating credit and the denominator of which is the full home
23 heating credit amount. As used in this subsection, "amount
24 available for the home heating credit" means the sum of the federal
25 low income home energy assistance program block grant allotment for
26 this state for the federal fiscal year beginning in the tax year
27 and the amount as certified by the director of the department of

1 human services carried forward from the immediately preceding
2 fiscal year for the low income home energy assistance program block
3 grant minus the sum of the amount certified by the director of the
4 department of human services for administration of the low income
5 home energy assistance program block grant, the amount certified by
6 the director of the department of human services for crisis
7 assistance programs, and the amount certified by the director of
8 the department of human services for weatherization. For the 2014-
9 2015 fiscal year and continuing through the 2016-2017 fiscal year,
10 the amount used for weatherization each fiscal year shall be
11 determined as provided under this subsection. If the total federal
12 low income home energy assistance program block grant received for
13 the current fiscal year is greater than or equal to 90% of the
14 amount of block grant funds received in the immediately preceding
15 fiscal year, then the amount of federal low income home energy
16 assistance program block grant funds used for weatherization for
17 that fiscal year shall be at least \$6,000,000.00 but not greater
18 than 15% of the total federal low income home energy assistance
19 program block grant funds received for that fiscal year. If the
20 total federal low income home energy assistance block grant
21 received for the current fiscal year is less than 90% of the amount
22 of block grant funds received in the immediately preceding fiscal
23 year, then the amount of federal low income home energy assistance
24 program block grant funds used for weatherization for that fiscal
25 year shall be at least \$5,000,000.00 but not greater than 15% of
26 the total federal low income home energy assistance program block
27 grant funds received for that fiscal year. The amounts under this

1 subsection that require certification by the director of the
2 department of human services or by the state treasurer and the
3 director of the department of technology, management, and budget
4 shall be certified on or before December 30 of the tax year and
5 each tax year thereafter. As used in this subsection, "full home
6 heating credit amount" means the amount certified by the state
7 treasurer and the director of the department of technology,
8 management, and budget to be the estimated amount of the credits
9 that would have been provided under this section for the tax year
10 if no reduction as provided in this subsection were made for that
11 tax year.

12 (19) For tax years after the 1994 tax year, a claimant who
13 claims a credit under this section shall not report the credit
14 amount on the claimant's income tax return filed under this part as
15 an offset against the tax imposed by this part, but shall claim the
16 credit on a separate form prescribed by the department. For tax
17 years after the 1995 tax year, a credit claimed under this section
18 shall not be allowed unless the claim for the credit is filed with
19 the department on or before the September 30 immediately following
20 the tax year for which the credit is claimed.

21 (20) The state treasurer shall notify all of the following
22 each state fiscal year that the federal low income home energy
23 assistance program block grant allotment for this state for that
24 fiscal year is less than the full home heating credit amount:

25 (a) The chairpersons and vice-chairpersons of the senate and
26 house of representatives appropriations committees.

27 (b) The senate and house of representatives committees on

1 taxation and finance related issues.

2 (c) The senate and house of representatives committees on
3 energy and technology related issues.

4 (21) Notwithstanding section 30a of 1941 PA 122, MCL 205.30a,
5 the credit allowed under this section is exempt from interception,
6 execution, levy, attachment, garnishment, or other legal process to
7 collect a debt. No portion of the credit allowed or any rights
8 existing under this section shall be applied as an offset to any
9 liability of the claimant under section 30a of 1941 PA 122, MCL
10 205.30a, or any arrearage or other debt of the claimant.

11 (22) The department shall meet with interested parties
12 including enrolled heating fuel providers and advocacy groups to
13 identify and implement methods of improving the processing of
14 claims for the credit allowed under this section and payments
15 attributable to those credits.

16 (23) As used in this section:

17 (a) "Claimant whose heating costs are included in his or her
18 rent" means a claimant whose rent includes the cost of heat at the
19 time the claim for the credit under this section is filed.

20 (b) "Enrolled heating fuel provider" means a heating fuel
21 provider that is enrolled with the department of human services as
22 a heating fuel provider.

23 (c) "Heating fuel provider" means an individual or entity that
24 provides a claimant with heating fuel or electricity for heating
25 purposes.

26 Sec. 530. (1) The department may require reasonable proof from
27 the claimant in support of rent paid, property taxes paid, ~~total~~

1 ~~household resources,~~ **HOUSEHOLD INCOME**, size and nature of the
2 property claimed as a homestead, or any other information required
3 for the administration of this chapter.

4 (2) If a homestead is occupied for less than a 12-month
5 period, the credit computation shall be proportional to the period
6 of occupancy. A claimant shall not occupy more than 1 homestead at
7 1 time. If more than 1 homestead is occupied during the tax year,
8 the credit computation shall be proportional to the period of
9 occupancy of each homestead, but not for a total period of more
10 than 1 year.

11 (3) If unoccupied land is used for agricultural or
12 horticultural purposes by the claimant, the credit shall be allowed
13 only if the gross receipts of the agricultural or horticultural
14 operations exceed the ~~total household resources~~ **HOUSEHOLD INCOME** as
15 defined in this part.

16 (4) A claim shall not be allowed if the department finds that
17 the claimant received title to the homestead primarily for the
18 purpose of receiving benefits under this chapter.

19 (5) The amount of a claim otherwise payable may be applied by
20 the department against a liability outstanding on the books of the
21 state against the claimant.

22 Enacting section 1. This amendatory act takes effect January
23 1, 2016.