

Legislative Analysis



EXTEND DETERMINATION FOR WEATHERIZATION AMOUNT IN FEDERAL GRANT ALLOTMENT

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Senate Bill 647 as passed by the Senate
Sponsor: Sen. Dale W. Zorn
House Committee: Tax Policy
Senate Committee: Finance
Complete to 4-24-18

SUMMARY:

Senate Bill 647 would amend the Income Tax Act to extend the use of a determination that partially sets the amount of federal Low Income Home Energy Assistance Program (LIHEAP) money to be used for a weatherization program.

Currently under the Income Tax Act, an eligible claimant can claim a credit for heating costs used for the claimant's homestead. The credit is only allowed if there is a federal appropriation of Low Income Home Energy Assistance Program block grant funds. A claimant who is eligible for the credit is also determined for eligibility for home weatherization assistance, and must accept the weatherization assistance if available.

If the amount of the block grant funds available for the home heating credit is less than the full home heating credit amount, each individual credit is prorated. "Amount available for the home heating credit" is the sum of the federal LIHEAP block grant allotment and any carryforward, minus the amount for administration, crisis assistance programs, and weatherization.

The amount to be used for weatherization is partially determined by the amount of federal LIHEAP grant funds received in the current fiscal year in proportion to the immediately prior fiscal year, as follows:

Amount of LIHEAP grant funds received in proportion to immediately prior fiscal year	Weatherization amount
Greater than or equal to 90%	At least \$6.0 million, but not greater than 15% of total LIHEAP grant funds received.
Less than 90%	At least \$5.0 million, but not greater than 15% of total LIHEAP grant funds received.

This determination is in effect in statute for the fiscal years 2014-2015 through 2016-2017.

Under the bill, the determination would be used through fiscal year 2021-2022.

Additionally, the bill would require the Department of Health and Human Services (DHHS) to submit a report on the operation and effectiveness of the home heating and weatherization assistance programs and any recommendations regarding the programs to the chairpersons and vice-chairpersons of the Senate and House appropriations committees, tax and finance committees, and energy and technology related committees. This reporting would begin by July 1, 2018 and continue each July 1 thereafter.

MCL 206.527a

FISCAL IMPACT:

Senate Bill 647 will not have a fiscal impact on the state or local units of government.

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