



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 647 (as reported without amendment)
Sponsor: Senator Dale W. Zorn
Committee: Finance

CONTENT

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

- Extend to fiscal year 2021-22 provisions for determining the amount of Federal block grant funds used for weatherization, in the calculation of the home heating credit when the block grant funds are less than the full credit amount.
- Require the Department of Health and Human Services to submit a report and recommendations on the home heating and weatherization assistance programs to certain legislative committees and members by July 1 each year, beginning in 2018.

The Act allows an eligible individual to claim a credit for heating fuel costs for his or her homestead in Michigan. The credit is allowed only if there has been a Federal appropriation for the Federal fiscal year beginning in the tax year of Low Income Home Energy Assistance Program (LIHEAP) block grant funds of any amount. If the amount of LIHEAP block grant funds available for the home heating credit is less than the full credit amount, each individual credit claimed must be reduced proportionately, based on the ratio of the amount available for the home heating credit to the full credit amount. "Amount available for the home heating credit" means the sum of the LIHEAP block grant allotment for Michigan for the Federal fiscal year beginning in the tax year and the amount carried forward from the preceding fiscal year for the block grant, minus the sum of amounts for weatherization, crisis assistance programs, and administration of the block grant.

For fiscal years 2014-15 through 2016-17, the amount used for weatherization each fiscal year had to be determined according to a formula in the Act. The bill would require the amount used for weatherization each fiscal year to be determined under these provisions through fiscal year 2021-22.

MCL 206.527a

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. As the bill would extend the recently expired allocation of the Federal Low Income Home Energy Assistance Program block grant funding, there would be no change to the funding formula followed by the Department of Health and Human Services.

Date Completed: 2-14-18

Fiscal Analyst: John Maxwell