

109TH CONGRESS  
1ST SESSION

# S. 2107

To provide additional appropriations for the Low-Income Home Energy Assistance Act of 1981 for fiscal year 2006 and to amend the Internal Revenue Code of 1986 to provide a refundable tax credit for residential energy cost assistance, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

DECEMBER 15, 2005

Mr. BAUCUS introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To provide additional appropriations for the Low-Income Home Energy Assistance Act of 1981 for fiscal year 2006 and to amend the Internal Revenue Code of 1986 to provide a refundable tax credit for residential energy cost assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Household Energy and  
5 Taxpayer Assistance Act of 2005”.

1 **SEC. 2. LOW-INCOME HOME ENERGY ASSISTANCE PRO-**  
 2 **GRAM.**

3 In addition to any amounts otherwise appropriated  
 4 for the program authorized under the Low-Income Home  
 5 Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)  
 6 for fiscal year 2006, there is appropriated, out of any  
 7 money in the Treasury of the United States not otherwise  
 8 appropriated, an additional \$2,917,000,000 for fiscal year  
 9 2006 for such program (other than the program author-  
 10 ized under section 2604(e) of such Act (42 U.S.C.  
 11 8623(e)).

12 **SEC. 3. REFUNDABLE TAX CREDIT FOR RESIDENTIAL EN-**  
 13 **ERGY COST ASSISTANCE.**

14 (a) IN GENERAL.—Subpart C of part IV of sub-  
 15 chapter A of chapter 1 of the Internal Revenue Code of  
 16 1986 (relating to refundable credits) is amended by redes-  
 17 ignating section 36 as section 37 and by inserting after  
 18 section 35 the following new section:

19 **“SEC. 36. CREDIT FOR RESIDENTIAL ENERGY COST ASSIST-**  
 20 **ANCE.**

21 “(a) GENERAL RULE.—In the case of any individual,  
 22 there shall be allowed as a credit against the tax imposed  
 23 by this subtitle for the taxable year an amount equal to  
 24 20 percent of the qualified residential energy costs of the  
 25 taxpayer during such taxable year.

1       “(b) LIFETIME LIMITATION.—The credit allowed  
2 under this section with respect to any taxpayer for any  
3 taxable year shall not exceed the excess (if any) of \$200  
4 (\$300 in the case of a joint return) over the aggregate  
5 credits allowed under this section with respect to such tax-  
6 payer for all prior taxable years.

7       “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
8 poses of this section—

9               “(1) RESIDENTIAL ENERGY COSTS.—The term  
10       ‘qualified residential energy costs’ means, with re-  
11       spect to any principal residence of the taxpayer lo-  
12       cated in the United States, the costs paid or in-  
13       curred by the taxpayer for the period beginning after  
14       September 31, 2005, and ending before October 1,  
15       2006, for any energy utility and home energy fuel.

16               “(2) REDUCTION FOR GRANTS.—The amount of  
17       qualified residential energy costs which may be  
18       taken into account with respect to such period shall  
19       be reduced by any amount received by the taxpayer  
20       during such period for any residential energy cost  
21       under the Low-Income Home Energy Assistance  
22       program under title XXVI of the Omnibus Budget  
23       Reconciliation Act of 1981 (42 U.S.C. 8621 et seq.).

1           “(3) PRINCIPAL RESIDENCE.—The term ‘prin-  
2       cipal residence’ has the same meaning as in section  
3       121, except that—

4                   “(A) no ownership requirement shall be  
5       imposed, and

6                   “(B) the principal residence must be used  
7       by the taxpayer as the taxpayer’s residence dur-  
8       ing the taxable year.

9           “(4) CERTAIN PERSONS NOT ELIGIBLE.—This  
10       section shall not apply to any individual with respect  
11       to whom a deduction under section 151 is allowable  
12       to another taxpayer for a taxable year beginning in  
13       the calendar year in which such individual’s taxable  
14       year begins.

15           “(5) HOMEOWNERS ASSOCIATIONS.—The appli-  
16       cation of this section to homeowners associations (as  
17       defined in section 528(c)(1)) or members of such as-  
18       sociations, and tenant-stockholders in cooperative  
19       housing corporations (as defined in section 216),  
20       shall be allowed by allocation, apportionment, or oth-  
21       erwise, to the individuals paying, directly or indi-  
22       rectly, for the qualified residential energy cost so in-  
23       curred.

1       “(d) REGULATIONS.—The Secretary may prescribe  
 2 such regulations and other guidance as may be necessary  
 3 or appropriate to carry out this section.”.

4       (b) CONFORMING AMENDMENTS.—

5           (1) Section 1324(b)(2) of title 31, United  
 6 States Code, is amended by striking “or” before  
 7 “enacted” and by inserting before the period at the  
 8 end “, or from section 36 of such Code”.

9           (2) The table of sections for subpart C of part  
 10 IV of subchapter A of chapter 1 of the Internal Rev-  
 11 enue Code of 1986 is amended by striking the item  
 12 relating to section 35 and by adding at the end the  
 13 following new items:

“Sec. 36. Credit for residential energy cost assistance.

“Sec. 37. Overpayments of tax.”.

14       (c) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply to taxable years beginning after  
 16 December 31, 2004.

○