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111TH CONGRESS
1ST SESSION

# H. R. 152

To amend the Internal Revenue Code to provide for a refundable tax credit for heating fuels and to create a grant program for States to provide individuals with loans to weatherize their homes.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2009

Mrs. MCCARTHY of New York (for herself, Mr. HINCHEY, Ms. SUTTON, Mr. WEINER, Mr. COHEN, Mr. CARNEY, and Mr. SIRES) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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# A BILL

To amend the Internal Revenue Code to provide for a refundable tax credit for heating fuels and to create a grant program for States to provide individuals with loans to weatherize their homes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Home Heating Fuels Cost Relief Act of 2009".

**SEC. 2. REFUNDABLE CREDIT FOR CERTAIN INDIVIDUALS USING HOME HEATING FUELS.**

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 37 as section 38 and by inserting after section 36 the following new section:

**"SEC. 37. USE OF HOME HEATING FUELS IN HOMES.**

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed to the taxpayer as a credit against the tax imposed by this chapter for the taxable year an amount equal to amounts paid or incurred by the taxpayer during the taxable year for heating oil, natural gas, and propane to heat the principal place of abode of the taxpayer.

"(b) LIMITATIONS.—

"(1) LIMITATION BASED ON DOLLAR AMOUNT.—The amount allowed as a credit under subsection (a) for a taxable year shall not exceed $1,000 ($2,000 in the case of a joint return).

"(2) LIMITATION BASED ON ADJUSTED GROSS INCOME.—No amount shall be allowed as a credit under subsection (a) for a taxable year in the case of a taxpayer whose adjusted gross income exceeds $100,000 ($200,000 in the case of a joint return).

"(c) ELIGIBLE INDIVIDUAL.—

"(1) In general.—For purposes of this section, the term 'eligible individual' means any individual whose principal place of abode is in the United States.

"(2) Exception.—Except as provided in paragraph (3), such term shall not include any individual—

"(A) who is not a citizen or lawful permanent resident of the United States, or

"(B) with respect to whom a deduction under section 151 is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

"(3) Special rule for married individuals.—In the case of persons married to each other, if one spouse is an eligible individual, the other spouse shall be treated as an eligible individual for purposes of this subsection.

"(d) Denial of Double Benefit.—For purposes of this section, no credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

"(e) Termination.—This section shall not apply to any taxable year beginning after December 31, 2009.".

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “37,” after “36,”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 37 and inserting the following new items:

“Sec. 37. Use of home heating fuels in homes.
“Sec. 38. Overpayments of tax.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

**SEC. 3. GRANTS TO STATES TO CREATE HOME WEATHERIZATION LOAN PROGRAMS.**

(a) IN GENERAL.—The Secretary shall carry out a program to make grants to States in accordance with this section to create revolving loan funds to provide eligible individuals with loans to purchase weatherization materials for the purpose of weatherizing the principal place of abode of the individual.

(b) ESTABLISHMENT OF FUND.—To be eligible to receive a grant under this section, a State shall establish a weatherization revolving loan fund (referred to in this section as the “State loan fund”) and comply with the other requirements of this section. Each grant to a State under this section shall be deposited in the State loan fund established by the State.

(c) APPLICATIONS.—

(1) IN GENERAL.—The Secretary shall issue requirements for applying for grants under this section.

(2) DETERMINATION OF GRANT AMOUNTS.—In determining the amount of the grant awarded to a State, the Secretary shall consider—

(A) the incidence of extreme winter or summer temperatures within the State;

(B) the average age of homes within the State; and

(C) such other factors as the Secretary determines are appropriate.

(d) PROGRAM REQUIREMENTS.—

(1) USE OF FUNDS.—

(A) IN GENERAL.—Amounts deposited in a State loan fund, including loan repayments and interest earned on such amounts, shall be used only for providing loans to eligible individuals to purchase weatherization materials for the purpose of weatherizing the principal place of abode of the individual.

(B) LOAN AMOUNT LIMITATIONS.—

(i) INDIVIDUALS.—Subject to clause (ii), the total amount of all loans made from the State loan fund to an eligible individual during a calendar year may not exceed $5,000.

(ii) DWELLING.—The combined amount of all loans made from the State loan fund to eligible individuals living within a single dwelling during a calendar year may not exceed $10,000.

(C) INCOME LIMITATION AND INTEREST RATES.—

(i) For an eligible individual with adjusted gross income for the previous taxable year of $100,000 or less, the annual interest rate for each loan shall be 1 percent.

(ii) For an eligible individual with adjusted gross income for the previous taxable year of more than $100,000 but no more than $200,000, the annual interest rate for each loan shall be 2 percent.

(iii) An eligible individual making more than $200,000 is not eligible for a loan made from the State loan fund.

(D) LOAN REPAYMENT.—In order to receive a loan from a State loan fund, an eligible individual must enter into an agreement with the State to repay the full amount of the loan, plus interest, not more than 2 years after the date on which the individual receives the loan funds.

(2) ANNUAL REPORT.—Each State receiving a grant under this section shall submit an annual report to the Secretary detailing the use of funds from the State loan fund.

(e) REPORT TO CONGRESS.—The Secretary shall submit an annual report to the Congress detailing the distribution of grant funds, including a copy of each report submitted to the Secretary pursuant to subsection (d)(2).

(f) DEFINITIONS.—For purposes of this section:

(1) ELIGIBLE INDIVIDUAL.—The term ''eligible individual'' means an individual—

(A) whose principal place of abode is in the United States;

(B) who is a citizen or lawful permanent resident of the United States; and

(C) with respect to whom a deduction under section 151 is not allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(3) WEATHERIZATION MATERIALS.—The term ''weatherization materials'' means—

(A) caulking and weatherstripping of doors and windows;

(B) furnace efficiency modifications, including, but not limited to—

(i) replacement burners, furnaces, or boilers or any combination thereof;

(ii) devices for minimizing energy loss through heating system, chimney, or venting devices; and

(iii) electrical or mechanical furnace ignition systems which replace standing gas pilot lights;

(C) clock thermostats;

(D) ceiling, attic, wall, floor, and duct insulation;

(E) water heater insulation;

(F) storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective window and door materials;

(G) cooling efficiency modifications, including, but not limited to, replacement air-conditioners, ventilation equipment, screening, window films, and shading devices;

(H) solar thermal water heaters;

(I) wood-heating appliances; and

(J) such other insulating or energy conserving devices or technologies as the Secretary may determine, after consulting with the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Director of the Community Services Administration.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

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