

111TH CONGRESS
1ST SESSION

S. 2894

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.

IN THE SENATE OF THE UNITED STATES

DECEMBER 16, 2009

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

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.

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 “Home Heating Fuels
5 Cost Relief Act of 2009”.

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

3 (a) IN GENERAL.—Subpart C of part IV of sub-
 4 chapter A of chapter 1 of the Internal Revenue Code of
 5 1986 (relating to refundable credits) is amended by insert-
 6 ing before section 37 the following new section:

7 **“SEC. 36B. USE OF HOME HEATING FUELS IN HOMES.**

8 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
 9 gible individual, there shall be allowed as a credit against
 10 the tax imposed by this subtitle for the taxable year an
 11 amount equal to the amounts paid or incurred by the tax-
 12 payer during the taxable year for heating oil, natural gas,
 13 and propane used to heat the principal place of abode of
 14 the taxpayer.

15 “(b) LIMITATIONS.—

16 “(1) LIMITATION BASED ON DOLLAR
 17 AMOUNT.—The amount allowed as a credit under
 18 subsection (a) for any taxable year shall not exceed
 19 \$1,000 (\$2,000 in the case of a joint return).

20 “(2) LIMITATION BASED ON ADJUSTED GROSS
 21 INCOME.—No amount shall be allowed as a credit
 22 under subsection (a) for a taxable year in the case
 23 of a taxpayer whose adjusted gross income exceeds
 24 \$100,000 (\$200,000 in the case of a joint return).

25 “(c) ELIGIBLE INDIVIDUAL.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the term ‘eligible individual’ means any indi-
3 vidual whose principal place of abode is in the
4 United States.

5 “(2) EXCEPTION.—Except as provided in para-
6 graph (3), such term shall not include any indi-
7 vidual—

8 “(A) who is not a citizen or lawful perma-
9 nent resident of the United States, or

10 “(B) with respect to whom a deduction
11 under section 151 is allowed to another tax-
12 payer for a taxable year beginning in the cal-
13 endar year in which such individual’s taxable
14 year begins.

15 “(3) SPECIAL RULE FOR MARRIED INDIVID-
16 UALS.—In the case of persons married to each
17 other, if one spouse is an eligible individual, the
18 other spouse shall be treated as an eligible individual
19 for purposes of this subsection.

20 “(d) DENIAL OF DOUBLE BENEFIT.—No other cred-
21 it or deduction shall be allowed under this chapter for any
22 expense for which a credit is allowed under subsection (a).

23 “(e) TERMINATION.—This section shall not apply to
24 any taxable year beginning after December 31, 2010.”.

1 (b) CONFORMING AMENDMENT.—Paragraph (2) of
 2 section 1324(b) of title 31, United States Code, is amend-
 3 ed by inserting “36B,” after “36A,”.

4 (c) CLERICAL AMENDMENT.—The table of sections
 5 for subpart C of part IV of subchapter A of chapter 1
 6 of the Internal Revenue Code of 1986 is amended by in-
 7 serting before the item relating to section 37 the following
 8 new item:

“Sec. 36B. Use of home heating fuels in homes.”.

9 (d) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to taxable years beginning after
 11 December 31, 2008.

12 **SEC. 3. GRANTS TO STATES TO CREATE HOME WEATHER-**
 13 **IZATION LOAN PROGRAMS.**

14 (a) DEFINITIONS.—In this section:

15 (1) ELIGIBLE INDIVIDUAL.—The term “eligible
 16 individual” means an individual—

17 (A) with a principal place of residence in
 18 the United States;

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

21 (C) with respect to whom a deduction
 22 under section 151 of the Internal Revenue Code
 23 of 1986 is not allowed to another taxpayer for
 24 a taxable year beginning in the calendar year in
 25 which the taxable year of the individual begins.

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of the Treasury.

3 (3) STATE.—The term “State” means—

4 (A) a State;

5 (B) the District of Columbia;

6 (C) the Commonwealth of Puerto Rico;

7 and

8 (D) any other territory or possession of the
9 United States.

10 (4) STATE LOAN FUND.—The term “State loan
11 fund” means a weatherization revolving loan fund of
12 a State established under subsection (c).

13 (5) WEATHERIZATION MATERIALS.—The term
14 “weatherization materials” means—

15 (A) caulking and weatherstripping of doors
16 and windows;

17 (B) furnace efficiency modifications, in-
18 cluding—

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

21 (ii) devices for minimizing energy loss
22 through heating system, chimney, or vent-
23 ing devices; and

- 1 (iii) electrical or mechanical furnace
2 ignition systems that replace standing gas
3 pilot lights;
4 (C) clock thermostats;
5 (D) ceiling, attic, wall, floor, and duct in-
6 sulation;
7 (E) water heater insulation;
8 (F) storm windows and doors, multiglazed
9 windows and doors, and heat-absorbing or heat-
10 reflective window and door materials;
11 (G) cooling efficiency modifications, includ-
12 ing replacement air-conditioners, ventilation
13 equipment, screening, window films, and shad-
14 ing devices;
15 (H) solar thermal water heaters;
16 (I) wood-heating appliances; and
17 (J) such other insulating or energy con-
18 serving devices or technologies as are deter-
19 mined by the Secretary, after consultation with
20 the Secretary of Housing and Urban Develop-
21 ment, the Secretary of Agriculture, and the Of-
22 fice of Community Services of the Department
23 of Health and Human Services.
- 24 (b) GRANTS.—The Secretary shall carry out a pro-
25 gram to make grants to States in accordance with this

1 section to create revolving loan funds to provide eligible
2 individuals with loans to purchase weatherization mate-
3 rials for the purpose of weatherizing the principal place
4 of residence of an individual.

5 (c) ESTABLISHMENT OF FUND.—To be eligible to re-
6 ceive a grant under this section, a State shall agree—

7 (1) to establish a weatherization revolving loan
8 fund;

9 (2) to deposit the grant in the State loan fund;
10 and

11 (3) to comply with the other requirements of
12 this section.

13 (d) APPLICATIONS.—

14 (1) IN GENERAL.—A State that seeks to receive
15 a grant under this section may submit to the Sec-
16 retary an application for the grant at such time, in
17 such form, and containing such information as the
18 Secretary may prescribe.

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

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

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

1 (C) such other factors as the Secretary de-
2 termines are appropriate.

3 (e) LOANS.—

4 (1) IN GENERAL.—Amounts deposited in a
5 State loan fund (including loan repayments and in-
6 terest earned on the amounts) shall be used only for
7 providing loans to eligible individuals to purchase
8 weatherization materials for the purpose of
9 weatherizing the principal place of residence of an
10 individual.

11 (2) LOAN AMOUNT LIMITATIONS.—

12 (A) INDIVIDUALS.—Subject to subpara-
13 graph (B), the total amount of all loans made
14 from a State loan fund to an eligible individual
15 during a calendar year may not exceed \$5,000.

16 (B) DWELLING.—The combined amount of
17 all loans made from the State loan fund to eli-
18 gible individuals living within a single dwelling
19 during a calendar year may not exceed \$10,000.

20 (3) INTEREST RATES.—The annual interest
21 rate for a loan made from a State loan fund shall
22 be—

23 (A) in the case of an eligible individual
24 with an adjusted gross income for the previous
25 taxable year of \$100,000 or less, 1 percent; and

1 (B) in the case of an eligible individual
2 with an adjusted gross income for the previous
3 taxable year of more than \$100,000 but not
4 more than \$200,000, 2 percent.

5 (4) INCOME LIMITATION.—An eligible individual
6 with an adjusted gross income of more than
7 \$200,000 shall not be eligible for a loan made from
8 a State loan fund.

9 (5) LOAN REPAYMENT.—In order to receive a
10 loan from a State loan fund, an eligible individual
11 shall enter into an agreement with the State to
12 repay the full amount of the loan, plus interest, by
13 a date that is not more than 2 years after the date
14 on which the individual receives the loan funds.

15 (f) ANNUAL REPORT.—Each State receiving a grant
16 under this section shall submit an annual report to the
17 Secretary describing the use of funds from the State loan
18 fund.

19 (g) REPORT TO CONGRESS.—The Secretary shall
20 submit to Congress an annual report describing the dis-
21 tribution of grant funds under this section, including a
22 copy of each report submitted to the Secretary pursuant
23 to subsection (f).

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary to carry
3 out this section such sums as are necessary.

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