

113TH CONGRESS
2D SESSION

H. R. 4326

To amend the Internal Revenue Code of 1986 to provide a refundable credit against income tax to assist individuals with high residential energy costs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2014

Mr. SEAN PATRICK MALONEY of New York introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a refundable credit against income tax to assist individuals with high residential energy costs.

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 Energy Afford-
5 ability Tax Relief Act of 2014” or the “HEATR Act of
6 2014”.

7 **SEC. 2. REFUNDABLE CREDIT FOR RESIDENTIAL ENERGY**
8 **COSTS.**

9 (a) IN GENERAL.—Subchapter B of chapter 65 of the
10 Internal Revenue Code of 1986 (relating to rules of special

1 application) is amended by adding at the end the following
 2 new section:

3 **“SEC. 6433. REFUNDABLE CREDIT FOR RESIDENTIAL EN-**
 4 **ERGY COSTS.**

5 “(a) GENERAL RULE.—In the case of an individual,
 6 there shall be allowed as a credit against the tax imposed
 7 by this subtitle for the taxable year an amount equal to
 8 the lesser of—

9 “(1) 33 percent of the amount of the taxpayer’s
 10 residential energy costs for such taxable year, or

11 “(2) \$500.

12 “(b) INCOME LIMITATION.—

13 “(1) IN GENERAL.—The amount allowable as a
 14 credit under subsection (a) for any taxable year shall
 15 be reduced (but not below zero) by an amount which
 16 bears the same ratio to the amount so allowable (de-
 17 termined without regard to this paragraph) as—

18 “(A) the amount (if any) by which the tax-
 19 payer’s adjusted gross income exceeds \$50,000
 20 (twice such amount in the case of a joint re-
 21 turn), bears to

22 “(B) \$10,000.

23 “(2) DETERMINATION OF ADJUSTED GROSS IN-
 24 COME.—For purposes of paragraph (1), adjusted

1 gross income shall be determined without regard to
2 sections 911, 931, and 933.

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

5 “(1) RESIDENTIAL ENERGY COSTS.—The term
6 ‘residential energy costs’ means the amount paid or
7 incurred by the taxpayer during the taxable year—

8 “(A) to any utility for electricity or natural
9 gas used in the principal residence of the tax-
10 payer during the heating season, and

11 “(B) for any qualified fuel for use in the
12 principal residence of the taxpayer but only if
13 such fuel is the primary fuel for heating such
14 residence.

15 “(2) PRINCIPAL RESIDENCE.—

16 “(A) IN GENERAL.—The term ‘principal
17 residence’ has the meaning given to such term
18 by section 121; except that no ownership re-
19 quirement shall be imposed.

20 “(B) SPECIAL RULES.—Such term shall
21 not include—

22 “(i) any residence located outside the
23 United States, and

1 “(ii) any residence not used as the
2 taxpayer’s principal place of abode
3 throughout the heating season.

4 “(3) HEATING SEASON.—The term ‘heating
5 season’ means October, November, December, Janu-
6 ary, February, and March.

7 “(4) QUALIFIED FUEL.—The term ‘qualified
8 fuel’ includes propane, heating oil, kerosene, wood,
9 and wood pellets.

10 “(d) OTHER SPECIAL RULES.—

11 “(1) INDIVIDUALS PAYING ON LEVEL PAYMENT
12 BASIS.—Amounts paid for natural gas under a level
13 payment plan for any period shall be treated as paid
14 for natural gas used during the portion (if any) of
15 the heating season during such period to the extent
16 of the amount charged for natural gas used during
17 such portion of the heating season. A similar rule
18 shall apply to electricity and any qualified fuel.

19 “(2) HOMEOWNERS ASSOCIATIONS, ETC.—The
20 application of this section to homeowners associa-
21 tions (as defined in section 528(c)(1)) or members
22 of such associations, and tenant-stockholders in co-
23 operative housing corporations (as defined in section
24 216), shall be allowed by allocation, apportionment,

1 or otherwise, to the individuals paying, directly or
2 indirectly, for the residential energy cost so incurred.

3 “(3) DOLLAR AMOUNT IN CASE OF JOINT OCCU-
4 PANCY.—In the case of a dwelling unit which is the
5 principal residence by 2 or more individuals, the dol-
6 lar limitation under subsection (a)(2) shall be allo-
7 cated among such individuals under regulations pre-
8 scribed by the Secretary.

9 “(4) TREATMENT AS REFUNDABLE CREDIT.—
10 For purposes of this title, the credit allowed by this
11 section shall be treated as a credit allowed under
12 subpart C of part IV of subchapter A of chapter 1
13 (relating to refundable credits).

14 “(e) APPLICATION OF SECTION.—This section shall
15 apply to residential energy costs paid or incurred after the
16 date of the enactment of this section and before April 1,
17 2016.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Paragraph (2) of section 1324(b) of title
20 31, United States Code, is amended by striking “or
21 6428 or” and inserting “, 6428, 6433, or”.

22 (2) The table of sections for subchapter B of
23 chapter 65 of such Code is amended by adding at
24 the end the following new item:

“Sec. 6433. Refundable credit for residential energy costs.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years ending after the
3 date of the enactment of this Act.

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