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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.				

S 2894 IS

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.

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 inserting before section 37 the following new section:

`SEC. 36B. USE OF HOME HEATING FUELS IN HOMES.

`(a) Allowance of Credit- In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the amounts paid or incurred by the taxpayer during the taxable year for heating oil, natural gas, and propane used 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 any 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- No other credit or deduction shall be allowed under this chapter for any expense for which a credit is allowed under subsection (a).

`(e) Termination- This section shall not apply to any taxable year beginning after December 31, 2010.'

(b) Conforming Amendment- Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting `36B,' after `36A,'.

(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 inserting before the item relating to section 37 the following new item:

`Sec. 36B. Use of home heating fuels in homes.'

(d) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

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

(a) Definitions- In this section:

(1) ELIGIBLE INDIVIDUAL- The term `eligible individual' means an individual--

(A) with a principal place of residence 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 of the Internal Revenue Code of 1986 is not allowed to another taxpayer for a taxable year beginning in the calendar year in which the taxable year of the individual begins.

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

(3) STATE- The term `State' means--

- (A) a State;
- (B) the District of Columbia;
- (C) the Commonwealth of Puerto Rico; and
- (D) any other territory or possession of the United States.

(4) STATE LOAN FUND- The term `State loan fund' means a weatherization revolving loan fund of a State established under subsection (c).

(5) WEATHERIZATION MATERIALS- The term `weatherization materials' means--

- (A) caulking and weatherstripping of doors and windows;
- (B) furnace efficiency modifications, including--
 - (i) replacement burners, furnaces, 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 that 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, and heat-absorbing or heat-reflective window and door materials;
- (G) cooling efficiency modifications, including 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 are determined by the Secretary, after consultation with the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Office of Community Services of the Department of Health and Human Services.

(b) Grants- 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 residence of an individual.

(c) Establishment of Fund- To be eligible to receive a grant under this section, a State shall agree--

- (1) to establish a weatherization revolving loan fund;
- (2) to deposit the grant in the State loan fund; and
- (3) to comply with the other requirements of this section.

(d) Applications-

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

(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.

(e) Loans-

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

(2) LOAN AMOUNT LIMITATIONS-

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

(3) INTEREST RATES- The annual interest rate for a loan made from a State loan fund shall be--

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

(4) INCOME LIMITATION- An eligible individual with an adjusted gross income of more than

\$200,000 shall not be eligible for a loan made from a State loan fund.

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

(f) Annual Report- Each State receiving a grant under this section shall submit an annual report to the Secretary describing the use of funds from the State loan fund.

(g) Report to Congress- The Secretary shall submit to Congress an annual report describing the distribution of grant funds under this section, including a copy of each report submitted to the Secretary pursuant to subsection (f).

(h) Authorization of Appropriations- There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary.

END