

Legislative Analysis



HOME HEATING CREDIT WEATHERIZATION PROGRAM SUNSET EXTENSION

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Senate Bill 727 as passed by the Senate
Sponsor: Sen. Dale W. Zorn
House Committee: Finance
Senate Committee: Tax Policy
Complete to 9-20-22

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 266 of 2022)

SUMMARY:

Senate Bill 727 would amend the Income Tax Act to extend the use of a determination that partially sets the amount of federal Low Income Home Energy Assistance Program (LIHEAP) money to be used for a weatherization program.

Currently under the act, an eligible claimant can claim a credit for heating costs used for the claimant's homestead. The credit is only allowed if there is a federal appropriation of LIHEAP block grant funds. A claimant who is eligible for the credit is also determined for eligibility for home weatherization assistance, and must accept the weatherization assistance if available.

If the amount of the block grant funds available for the home heating credit is less than the full home heating credit amount, each individual credit is prorated. "Amount available for the home heating credit" is the sum of the federal LIHEAP block grant allotment and any carryforward, minus the amount for administration, crisis assistance programs, and weatherization.

The amount to be used for weatherization is partially determined by the amount of federal LIHEAP grant funds received in the current fiscal year in proportion to the immediately prior fiscal year, as follows:

Amount of LIHEAP grant funds received in proportion to immediately prior fiscal year	Weatherization amount
Greater than or equal to 90%	At least \$6.0 million, but not greater than 15% of total LIHEAP grant funds received.
Less than 90%	At least \$5.0 million, but not greater than 15% of total LIHEAP grant funds received.

This determination is now in effect for the fiscal years 2014-15 through 2021-22.

Under the bill, the determination would be used through fiscal year 2026-27.

MCL 206.527a

FISCAL IMPACT:

Because the distributions under LIHEAP are funded by the federal government, the bill would have no state or local fiscal impact.

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