

109TH CONGRESS
1ST SESSION

S. 2107

To provide additional appropriations for the Low-Income Home Energy Assistance Act of 1981 for fiscal year 2006 and to amend the Internal Revenue Code of 1986 to provide a refundable tax credit for residential energy cost assistance, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 15, 2005

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

A BILL

To provide additional appropriations for the Low-Income Home Energy Assistance Act of 1981 for fiscal year 2006 and to amend the Internal Revenue Code of 1986 to provide a refundable tax credit for residential energy cost assistance, and for other purposes.

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 “Household Energy and
5 Taxpayer Assistance Act of 2005”.

1 **SEC. 2. LOW-INCOME HOME ENERGY ASSISTANCE PRO-**
2 **GRAM.**

3 In addition to any amounts otherwise appropriated
4 for the program authorized under the Low-Income Home
5 Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)
6 for fiscal year 2006, there is appropriated, out of any
7 money in the Treasury of the United States not otherwise
8 appropriated, an additional \$2,917,000,000 for fiscal year
9 2006 for such program (other than the program author-
10 ized under section 2604(e) of such Act (42 U.S.C.
11 8623(e)).

12 **SEC. 3. REFUNDABLE TAX CREDIT FOR RESIDENTIAL EN-**
13 **ERGY COST ASSISTANCE.**

14 (a) IN GENERAL.—Subpart C of part IV of sub-
15 chapter A of chapter 1 of the Internal Revenue Code of
16 1986 (relating to refundable credits) is amended by redес-
17 ignating section 36 as section 37 and by inserting after
18 section 35 the following new section:

19 **“SEC. 36. CREDIT FOR RESIDENTIAL ENERGY COST ASSIST-**
20 **ANCE.**

21 “(a) GENERAL RULE.—In the case of any individual,
22 there shall be allowed as a credit against the tax imposed
23 by this subtitle for the taxable year an amount equal to
24 20 percent of the qualified residential energy costs of the
25 taxpayer during such taxable year.

1 “(b) LIFETIME LIMITATION.—The credit allowed
2 under this section with respect to any taxpayer for any
3 taxable year shall not exceed the excess (if any) of \$200
4 (\$300 in the case of a joint return) over the aggregate
5 credits allowed under this section with respect to such tax-
6 payer for all prior taxable years.

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

9 “(1) RESIDENTIAL ENERGY COSTS.—The term
10 ‘qualified residential energy costs’ means, with re-
11 spect to any principal residence of the taxpayer lo-
12 cated in the United States, the costs paid or in-
13 curred by the taxpayer for the period beginning after
14 September 31, 2005, and ending before October 1,
15 2006, for any energy utility and home energy fuel.

16 “(2) REDUCTION FOR GRANTS.—The amount of
17 qualified residential energy costs which may be
18 taken into account with respect to such period shall
19 be reduced by any amount received by the taxpayer
20 during such period for any residential energy cost
21 under the Low-Income Home Energy Assistance
22 program under title XXVI of the Omnibus Budget
23 Reconciliation Act of 1981 (42 U.S.C. 8621 et seq.).

1 “(3) PRINCIPAL RESIDENCE.—The term ‘prin-
2 cipal residence’ has the same meaning as in section
3 121, except that—

4 “(A) no ownership requirement shall be
5 imposed, and

6 “(B) the principal residence must be used
7 by the taxpayer as the taxpayer’s residence dur-
8 ing the taxable year.

9 “(4) CERTAIN PERSONS NOT ELIGIBLE.—This
10 section shall not apply to any individual with respect
11 to whom a deduction under section 151 is allowable
12 to another taxpayer for a taxable year beginning in
13 the calendar year in which such individual’s taxable
14 year begins.

15 “(5) HOMEOWNERS ASSOCIATIONS.—The appli-
16 cation of this section to homeowners associations (as
17 defined in section 528(c)(1)) or members of such as-
18 sociations, and tenant-stockholders in cooperative
19 housing corporations (as defined in section 216),
20 shall be allowed by allocation, apportionment, or oth-
21 erwise, to the individuals paying, directly or indi-
22 rectly, for the qualified residential energy cost so in-
23 curred.

1 “(d) REGULATIONS.—The Secretary may prescribe
2 such regulations and other guidance as may be necessary
3 or appropriate to carry out this section.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 1324(b)(2) of title 31, United
6 States Code, is amended by striking “or” before
7 “enacted” and by inserting before the period at the
8 end “, or from section 36 of such Code”.

9 (2) The table of sections for subpart C of part
10 IV of subchapter A of chapter 1 of the Internal Rev-
11 enue Code of 1986 is amended by striking the item
12 relating to section 35 and by adding at the end the
13 following new items:

“Sec. 36. Credit for residential energy cost assistance.

“Sec. 37. Overpayments of tax.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2004.

○