

110TH CONGRESS  
2D SESSION

# H. R. 6605

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.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2008

Mr. ALLEN (for himself, Mrs. MCCARTHY of New York, Mr. MICHAUD, Mr. DELAHUNT, Mr. BISHOP of New York, Mr. CARNAHAN, Mr. BLUMENAUER, Mr. KILDEE, and Mr. MCGOVERN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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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.

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 2008”.

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 redес-  
6 ignating section 36 as section 37 and by inserting after  
7 section 35 the following new section:

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

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

16 “(b) LIMITATIONS.—

17 “(1) LIMITATION BASED ON DOLLAR  
18 AMOUNT.—The amount allowed as a credit under  
19 subsection (a) for a taxable year shall not exceed  
20 \$1,000 (\$2,000 in the case of a joint return).

21 “(2) LIMITATION BASED ON ADJUSTED GROSS  
22 INCOME.—No amount shall be allowed as a credit  
23 under subsection (a) for a taxable year in the case  
24 of a taxpayer whose adjusted gross income exceeds  
25 \$100,000 (\$200,000 in the case of a joint return).

26 “(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.—For purposes  
21           of this section, no credit shall be allowed under subsection  
22           (a) for any expense for which a deduction or credit is al-  
23           lowed under any other provision of this chapter.

24           “(e) TERMINATION.—This section shall not apply to  
25           any taxable year beginning after December 31, 2009.”.

1 (b) CONFORMING AMENDMENT.—Paragraph (2) of  
2 section 1324(b) of title 31, United States Code, is amend-  
3 ed by inserting “36,” after “35,”.

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 strik-  
7 ing the item relating to section 36 and inserting the fol-  
8 lowing new items:

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

“Sec. 37. Overpayments of tax.”.

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2007.

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

14 (a) IN GENERAL.—The Secretary shall carry out a  
15 program to make grants to States in accordance with this  
16 section to create revolving loan funds to provide eligible  
17 individuals with loans to purchase weatherization mate-  
18 rials for the purpose of weatherizing the principal place  
19 of abode of the individual.

20 (b) ESTABLISHMENT OF FUND.—To be eligible to re-  
21 ceive a grant under this section, a State shall establish  
22 a weatherization revolving loan fund (referred to in this  
23 section as the “State loan fund”) and comply with the  
24 other requirements of this section. Each grant to a State

1 under this section shall be deposited in the State loan fund  
2 established by the State.

3 (c) APPLICATIONS.—

4 (1) IN GENERAL.—The Secretary shall issue re-  
5 quirements for applying for grants under this sec-  
6 tion.

7 (2) DETERMINATION OF GRANT AMOUNTS.—In  
8 determining the amount of the grant awarded to a  
9 State, the Secretary shall consider—

10 (A) the incidence of extreme winter or  
11 summer temperatures within the State;

12 (B) the average age of homes within the  
13 State; and

14 (C) such other factors as the Secretary de-  
15 termines are appropriate.

16 (d) PROGRAM REQUIREMENTS.—

17 (1) USE OF FUNDS.—

18 (A) IN GENERAL.—Amounts deposited in a  
19 State loan fund, including loan repayments and  
20 interest earned on such amounts, shall be used  
21 only for providing loans to eligible individuals to  
22 purchase weatherization materials for the pur-  
23 pose of weatherizing the principal place of  
24 abode of the individual.

25 (B) LOAN AMOUNT LIMITATIONS.—

1 (i) INDIVIDUALS.—Subject to clause  
2 (ii), the total amount of all loans made  
3 from the State loan fund to an eligible in-  
4 dividual during a calendar year may not  
5 exceed \$5,000.

6 (ii) DWELLING.—The combined  
7 amount of all loans made from the State  
8 loan fund to eligible individuals living with-  
9 in a single dwelling during a calendar year  
10 may not exceed \$10,000.

11 (C) INCOME LIMITATION AND INTEREST  
12 RATES.—

13 (i) For an eligible individual with ad-  
14 justed gross income for the previous tax-  
15 able year of \$100,000 or less, the annual  
16 interest rate for each loan shall be 1 per-  
17 cent.

18 (ii) For an eligible individual with ad-  
19 justed gross income for the previous tax-  
20 able year of more than \$100,000 but no  
21 more than \$200,000, the annual interest  
22 rate for each loan shall be 2 percent.

23 (iii) An eligible individual making  
24 more than \$200,000 is not eligible for a  
25 loan made from the State loan fund.

1           (D) LOAN REPAYMENT.—In order to re-  
2           ceive a loan from a State loan fund, an eligible  
3           individual must enter into an agreement with  
4           the State to repay the full amount of the loan,  
5           plus interest, not more than 2 years after the  
6           date on which the individual receives the loan  
7           funds.

8           (2) ANNUAL REPORT.—Each State receiving a  
9           grant under this section shall submit an annual re-  
10          port to the Secretary detailing the use of funds from  
11          the State loan fund.

12          (e) REPORT TO CONGRESS.—The Secretary shall  
13          submit an annual report to the Congress detailing the dis-  
14          tribution of grant funds, including a copy of each report  
15          submitted to the Secretary pursuant to subsection (d)(2).

16          (f) DEFINITIONS.—For purposes of this section:

17               (1) ELIGIBLE INDIVIDUAL.—The term “eligible  
18               individual” means an individual—

19                       (A) whose principal place of abode is in the  
20                       United States;

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

23                       (C) with respect to whom a deduction  
24                       under section 151 is not allowed to another tax-  
25                       payer for a taxable year beginning in the cal-

1           endar year in which such individual's taxable  
2           year begins.

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

5           (3) WEATHERIZATION MATERIALS.—The term  
6           “weatherization materials” means—

7                   (A) caulking and weatherstripping of doors  
8                   and windows;

9                   (B) furnace efficiency modifications, in-  
10                  cluding, but not limited to—

11                           (i) replacement burners, furnaces, or  
12                           boilers or any combination thereof;

13                           (ii) devices for minimizing energy loss  
14                           through heating system, chimney, or vent-  
15                           ing devices; and

16                           (iii) electrical or mechanical furnace  
17                           ignition systems which replace standing  
18                           gas pilot lights;

19                   (C) clock thermostats;

20                   (D) ceiling, attic, wall, floor, and duct in-  
21                  sulation;

22                   (E) water heater insulation;

23                   (F) storm windows and doors, multiglazed  
24                  windows and doors, heat-absorbing or heat-re-  
25                  flective window and door materials;



1           (G) cooling efficiency modifications, includ-  
2           ing, but not limited to, replacement air-condi-  
3           tioners, ventilation equipment, screening, win-  
4           dow films, and shading devices;

5           (H) solar thermal water heaters;

6           (I) wood-heating appliances; and

7           (J) such other insulating or energy con-  
8           serving devices or technologies as the Secretary  
9           may determine, after consulting with the Sec-  
10          retary of Housing and Urban Development, the  
11          Secretary of Agriculture, and the Director of  
12          the Community Services Administration.

13          (g) AUTHORIZATION OF APPROPRIATIONS.—There  
14          are authorized to be appropriated to the Secretary such  
15          sums as may be necessary to carry out this section.

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