

112TH CONGRESS
1ST SESSION

H. R. 982

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 9, 2011

Mr. OWENS 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 2011” or the “HEATR Act of
6 2011”.

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) INFLATION ADJUSTMENT.—

15 “(1) IN GENERAL.—In the case of any taxable
16 year beginning in 2012, each of the dollar amounts
17 contained in subsections (a)(2) and (b)(1)(A) shall
18 be increased by an amount equal to—

19 “(A) such dollar amount, multiplied by

20 “(B) in the case of—

21 “(i) the dollar amount contained in
22 subsection (a)(2), the fuel price inflation
23 adjustment for 2012, and

24 “(ii) the dollar amount contained in
25 subsection (b)(1)(A), the cost-of-living ad-

1 justment determined under section 1(f)(3)
2 for 2012 by substituting ‘calendar year
3 2010’ for ‘calendar year 1992’ in subpara-
4 graph (B) thereof.

5 “(2) FUEL PRICE INFLATION ADJUSTMENT.—
6 For purposes of paragraph (1)(B)(i)—

7 “(A) IN GENERAL.—The fuel price infla-
8 tion adjustment for 2012 is the percentage (if
9 any) by which—

10 “(i) the CPI fuel component for Octo-
11 ber of 2011, exceeds

12 “(ii) the CPI fuel component for Oc-
13 tober of 2010.

14 “(B) CPI FUEL COMPONENT.—The term
15 ‘CPI fuel component’ means the fuel component
16 of the Consumer Price Index for All Urban
17 Consumers published by the Department of
18 Labor.

19 “(3) ROUNDING.—

20 “(A) CREDIT AMOUNT.—

21 “(i) CREDIT AMOUNT.—If the dollar
22 amount in subsection (a)(2) (after being
23 increased under paragraph (1)), is not a
24 multiple of \$10, such dollar amount shall
25 be rounded to the nearest multiple of \$10.

1 “(ii) INCOME THRESHOLD.—If the
2 dollar amount in subsection (b)(1)(A)
3 (after being increased under paragraph
4 (1)), is not a multiple of \$50, such dollar
5 amount shall be rounded to the next lowest
6 multiple of \$50.

7 “(f) APPLICATION OF SECTION.—This section shall
8 apply to residential energy costs paid or incurred after the
9 date of the enactment of this section, in taxable years end-
10 ing after such date, and before January 1, 2013.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Paragraph (2) of section 1324(b) of title
13 31, United States Code, is amended by striking “or
14 6431,” and inserting “6431, or 6433”.

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

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

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

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