



Michigan Home Heating Credit

(Tax Year 2017)

WHAT IS IT?

The **Home Heating Credit** is a state benefit available to eligible low-income households to help offset the cost of heating their homes. For Family Independence Program and State Disability Assistance recipients, the credit is sent directly to the heat provider. More information about heating assistance, including State Emergency Relief and the Weatherization Assistance Program, can be found at www.michigan.gov/heatingassistance.

WHO QUALIFIES?

Michigan residents qualify if they own or rent a homestead in the state, their income is below the income limit and they pay their own heat bills. Residents of congregate care facilities (i.e., adult foster care homes, homes for the aged and substance abuse treatment centers) are ineligible.

HOW DOES THE CREDIT WORK?

The credit is based on: 1) total household resources; 2) the number of exemptions claimed; and 3) the actual home heating costs. The following tables can be used to determine eligibility for the credit. Filers who are eligible under both methods can claim the largest amount.

WHAT HOUSEHOLD INCOME IS USED TO DETERMINE THE CREDIT?

It is important to remember that the Home Heating Credit takes into account a broader set of household income sources than some other credits. This is referred to as “total household resources.” In addition to earnings from employment, total household resources include:

- Family Independence Program benefits (but not food assistance benefits);
- Social Security and/or railroad retirement benefits;
- Child support and foster parent payments;
- Unemployment Insurance compensation;
- Retirement pension, annuity and IRA benefits;
- Workers’/veterans’ disability compensation/pension benefits.

TABLE A

Tax Year 2017 Home Heating Credit Standard Allowance

<i>Your Exemptions (from line 13h)</i>	<i>Standard Allowance</i>	<i>Income Ceiling</i>
0 or 1	\$465	\$13,271
2	\$626	\$17,871
3	\$787	\$22,471
4	\$948	\$27,071
5	\$1,109	\$31,671
6	\$1,270	\$36,271
	+\$161 for each exemption over 6	+\$4,600 for each exemption over 6

TABLE B

Exemptions and Maximum Income for the Alternative Credit Computation

<i>Your Exemptions (from line 13h)</i>	<i>Maximum Income</i>
0 or 1	\$14,111
2	\$18,989
3	\$23,872
4 or more	\$24,882

WHAT ARE THE AVAILABLE EXEMPTIONS?

Residents may claim one exemption for each of the following:

- Self, unless claimed as a dependent on someone else’s return;
- The filer’s spouse;
- The filer’s children who live with the taxpayer;

- Any other dependent of which the filer has custody and for whom the filer furnishes more than half the support.

The additional exemption for seniors has been removed. Unemployment Insurance is no longer exempt.

HOW DO FILERS CLAIM THE CREDIT?

- Filers must use Form MI-1040CR-7. This form can either be submitted with your tax refund or alone if you are not required to file a MI-1040.
- Filers who pay their heating bills themselves under their own name will be sent an energy draft (voucher). The draft must be sent to the energy provider, who will apply the draft amount to the outstanding balance. The credit may be sent directly to your heat provider if DTE Energy, Consumers Energy or SEMCO Energy Gas provides your heat.
- Renters who have heat included in the rent will be sent a check for one-half of the credit amount.
- If a filer is a public assistance recipient whose heat is provided by DTE Energy, Consumers Energy or SEMCO Energy Gas, the Home Heating Credit will be sent directly to the worker's heat provider.
- The due date for filing is September 30th.

Note: If the credit amount exceeds the filer's heat account balance, the filer may receive a refund from the heat provider for the overpayment, if eligible. (To be eligible, the filer must have no outstanding balance with the heat provider and must not have received heat assistance in the past 12 months.) If not eligible, the excess refund will be applied toward future bills. If, after nine months, a refund balance still remains on account with the heat provider, the heat provider will issue a refund.

SAVE MONEY!

You can find out where to get free tax help at www.michiganfreetaxhelp.org.

