

STATE HOME HEATING TAX CREDIT



(Tax Year 2011)

What Is It?

The **Home Heating Tax Credit (HHTC)** is a state benefit available to eligible low-income households to help offset the cost of heating their homes. Cash assistance recipients and persons who receive other public assistance may be eligible for the credit if they owned or rented a homestead in 2011. (Form MI-1040CR-7 must be used to claim the credit.) More information about heating assistance can be found at www.michigan.gov/heatingassistance.

Who Qualifies?

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

How Does the Credit Work?

The credit is based on: 1) household income; 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.

Table A

2011 Home Heating Credit Standard Allowance

<i>Your Exemptions</i>	<i>Maximum Credit</i>	<i>Income Limit</i>
0 or 1	\$420	\$11,986
2	\$567	\$16,186
3	\$714	\$20,387
4	\$861	\$24,587
5	\$1,009	\$28,815
6	\$1,156	\$33,014
	+ \$147 for each exemption over 6	+\$4,200 for each exemption over 6

Table B

Exemptions and Maximum Income for the Alternative Credit Computation

<i>Your Exemptions (from line 11.i)</i>	<i>Maximum Income</i>
0 or 1	\$12,973
2	\$17,458
3	\$21,946
4 or more	\$22,782

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.

Seniors (age 65+) and disabled individuals may be eligible to claim an additional exemption.

How Do Filers Claim the Credit?

- ✧ 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.
- ✧ 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 DHS 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.

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.

Where Can Filers Get Free Tax Help?

Filers should be encouraged to avoid going to commercial preparers for tax services that cost them money. There are two ways that filers can submit their taxes for free:

- 1) If they do not need much help, they can file taxes themselves. They can use paper forms, or they can file electronically for free using **I-CAN! E-File**, a web-based software that is available at www.MichiganEIC.org or www.icanefile.org. It is written at a fifth-grade literacy level and is available in English and Spanish.
- 2) Filers can also get free tax assistance at one of the many Volunteer Income Tax Assistance (VITA) sites around Michigan. Information on the location and hours of the VITA sites is available at www.MichiganEIC.org or by calling 2-1-1 (or 1-800-552-1183 if 2-1-1 is not available). In some counties, 2-1-1 is also able to determine EITC eligibility or set appointments for tax assistance.



Remember...

A filer does not have to pay income tax or file a regular MI-1040 income tax form in order to get a Home Heating Tax Credit for 2011. Applications (MI-1040CR-7) can be filed as early as January 1, 2012 for Tax Year 2011, but filers must file before September 30, 2012.