

2014 Michigan MI-1040CR-7

HOME HEATING CREDIT CLAIM



WWW.MIFASTFILE.ORG

- ✦ E-file your *Michigan Home Heating Credit Claim* (MI-1040CR-7) with or without a *Michigan Individual Income Tax Return* (MI-1040) and get your home heating credit faster.
- ✦ E-file eliminates many of the errors that lengthen processing times. E-file returns are usually processed within 14 business days. Please allow 14 days before checking the status of your e-filed return.
- ✦ Visit the Michigan Department of Treasury Web site at **www.Mifastfile.org** for a list of e-file resources, how to find an e-file provider, and more information on free e-file services.

FILING DEADLINE. The deadline for filing your 2014 home heating credit is **September 30, 2015**. The filing of an extension for income taxes does not extend the due date for the home heating credit.

IMPORTANT INFORMATION. Michigan's home heating credit is funded by federal Low-Income Home Energy Assistance Program Grants. Your credit may be larger or smaller than the credit you received last year because the amount of money Michigan receives from this grant varies every year. For general information visit **www.michigan.gov/heatingassistance**.

DIRECT DEPOSIT. If you are eligible to receive a check for your home heating credit claim, you may request that it be deposited directly into your account at a financial institution by filing a *Direct Deposit of Refund* (Form 3174). See page 17 of this booklet. Claimants receiving heat drafts are not eligible for Direct Deposit.

FILING DUE DATE: SEPTEMBER 30, 2015

WWW.MICHIGAN.GOV/TAXES

Tax Information and Assistance

Tax Information and Assistance

Self Service Options

The Michigan Department of Treasury (Treasury) offers a variety of services designed to assist you, and most are available 24 hours a day, seven days a week.

IMPORTANT: To obtain information about your account using the Internet and Telephone Options listed below, you will need the following information from your return:

- Social Security number (SSN) of the primary filer (the filer listed first on the return)
- Tax year of the return
- Adjusted gross income (AGI) or total household resources
- Filing status (single, married filing jointly, married filing separately).

Internet Options

www.michigan.gov/incometax

Find the following information on this Web site:

- Current year forms and instructions
- Answers to many tax preparation questions
- Most commonly used tax forms
- Free assistance in preparing your return
- Other tax resources.

www.michigan.gov/iit

This secure Web site was designed specifically to protect your personal tax information. Use this Web site to:

- Check the status of your return
- Check estimated payments you made during the year
- Check the status of letters you have sent to Treasury
- Change your address
- Ask a specific question about your account.

Telephone Options

(517) 636-4486

Automated Information Service

With Treasury's automated phone system, you can:

- Request the status of your refund
- Check the status of letters you have sent to Treasury
- Request information on estimated payments
- Order current tax year forms.

While most questions can be answered by the Automated Information Service, customer service representatives are available from 8 a.m. to 4:45 p.m., Monday through Friday.

Assistance is available using TTY through the Michigan Relay Service by calling 1-800-649-3777 or 711. Printed material in an alternate format may be obtained by calling (517) 636-4486.

Forms

Find tax forms using the Internet and Telephone Options listed on this page. Commonly used forms are also available at Treasury offices (see back cover), most public libraries, Northern Michigan post offices, and Department of Human Services (DHS) county offices.

Additional Help

If you need help completing your credit form, contact your local community service agency or senior citizen center to find out if a volunteer tax assistance program is available in your area.

When You Have Finished

Review your claim for the following common errors that may delay your refund:

- The MI-1040CR-7 is a two-page form; both pages must be completed and filed to be processed
- Illegible writing
- Transposing numbers in the SSN
- Entering figures on wrong lines
- Math errors
- Filling in lines if they do not apply to you or if the amount is zero
- Missing, incomplete, or applied for Social Security number. If you don't have an SSN or an Individual Taxpayer Identification Number (ITIN) for your dependent, apply for one through the IRS. Do not claim them on your MI-1040CR-7, line 14, until you have received their SSN or ITIN.
- Failing to report total household resources from all sources, both taxable and nontaxable
- Failing to reduce the heating credit by 50 percent when heat is included in your rent.

Before you mail your claim, review it carefully and make sure it is complete. Keep a copy of your claim and all schedules for six years.

Mail your claim to: Michigan Department of Treasury
Lansing, MI 48956

You can file a home heating credit for the current tax year only.

E-filing your return is easy, fast, and secure!



www.MIfastfile.org

General Information

Important Information for All Claimants

This booklet contains forms and instructions to file and calculate your home heating credit. Please read these instructions carefully. The request for your Social Security number is authorized under United States Code (USC) Section 42. Social Security numbers are used by Treasury to conduct matches against benefit income provided by the Social Security Administration and other sources to verify the accuracy of the home heating and property tax credit claims filed and to deter fraudulent filings.

The filer, spouse and dependent(s) Social Security numbers must be completed for all household members. If these Social Security numbers are not provided the credit will be reduced or denied accordingly.

If you currently receive Family Independence Program (FIP) assistance or other public assistance, you may claim a home heating credit if you owned or rented a homestead in 2014. If you owned or rented only part of the year, you must prorate your credit. See instructions for a part-year owner or renter on page 5.

If you receive FIP assistance, State Disability Assistance (SDA), or you are enrolled with the DHS for direct payment, by law Treasury must send your credit directly to your heat provider.

If your heat is provided by DTE Energy, Consumers Energy, or SEMCO Energy Gas, your home heating credit may be sent directly to your heat provider. (See instructions for line 15 on page 7.)

If, at the time you file this claim, your heating costs are included in your rent, your credit must be reduced by 50 percent. Your credit will be issued as a check, rather than an energy draft (see MI-1040 CR-7, lines 7 and 38).

If you file an income tax return (MI-1040), do **not** staple your home heating credit claim to the MI-1040. Fold it and leave it loose in the envelope. You cannot apply your home heating credit to your income tax liability.

If you file a property tax credit claim (*Michigan Homestead Property Tax Credit Claim* (MI-1040CR) or *Michigan Homestead Property Tax Credit for Veterans and Blind People* (MI-1040CR-2)) **without** an MI-1040, you should include your home heating credit claim with the property tax credit claim form.

Who May Claim a Credit

This credit helps low income families pay their home heating costs. To see if you may claim a credit, answer the following questions:

- Are you a full-time student who is claimed as a dependent on another person's income tax return?
- Did you live in a licensed care facility for the entire year? (See "Licensed Care Facilities" on page 5.)

If you answered yes to either of these questions, you **cannot** claim a home heating credit. If you answered no to **both** questions, in order to be eligible for a credit:

- Your homestead must be in Michigan, **and**
- You must own a home or have a lease agreement to pay rent for the home where you live.
- You **cannot** live in college- or university-operated housing (including dormitories, residence halls, or apartments)
- Your income **must** be within the income limits listed in Tables A and B on page 19.

You can have only one homestead at a time and you must be the occupant as well as the owner or renter. Your homestead can be a rented apartment or a mobile home on a lot in a mobile home park. A vacation home or income property is not considered your homestead.

Your homestead is in your state of domicile. Domicile is the place where you have your permanent home. It is the place to which you plan to return whenever you go away. College students and others whose permanent homes are not in Michigan are **not** Michigan residents. Domicile continues until you establish a new permanent home.

Spouses who share a home are entitled to only one home heating credit based upon the number of allowable exemptions in the household or the heating costs for the home, and joint total household resources.

If you were separated for all or part of the year and file a joint federal or Michigan income tax return with your spouse, your credit claim is based upon either the heating costs of only one home or the number of exemptions in each household. The total household resources must be the combined income of both spouses for the entire year.

Spouses who maintain separate homes for the entire year and do not file joint federal or Michigan income tax returns may each claim a credit based upon their separate heating costs or exemptions and total household resources. Attach *Married Filing Separately and Divorced or Separated Claimants Schedule* (Form 5049), which can be found on Treasury's Web site.

If you were separated or divorced during 2014 and do not file joint income tax returns, your credit must be based on your share of the heating costs or exemptions before separation, plus your exemptions and individual heating costs after separation. Attach a schedule showing your computation and Form 5049.

When to File

The final date for filing a 2014 home heating credit is September 30, 2015. (Your claim must be postmarked by September 30, 2015.) The filing of an extension for income taxes does not extend the due date for the home heating credit. File early to receive priority processing.

Exemptions

You may claim one exemption for each of the following:

- Yourself, unless you are eligible to be claimed as a dependent on someone else's return
- Your spouse
- Your children who live with you, even if their support comes from FIP assistance or someone else. If you do not have custody of your children, you cannot claim them on your MI-1040CR-7, even if you can claim them on your MI-1040
- Any other dependent who lives with you **and for whom you provided more than half their support.**

You may not claim an exemption for someone who is claiming themselves. You can claim additional exemptions for each special condition that applies to you, your spouse, or your dependents. If one spouse qualifies, claim 1; if both qualify, claim 2. Special exemptions are for deaf, disabled or blind, and qualified disabled veteran. See instructions for line 13 on page 7.

Deceased Claimants

If the taxpayer died during 2014, the personal representative may claim the standard heating credit but may not claim the alternate heating credit. If your spouse died in 2014, use the same number of exemptions you would have used had your spouse lived all year.

The **surviving spouse** may file a joint claim for 2014. Write your name and the deceased's name and both Social Security numbers on the MI-1040CR-7. Write "DECD" after the deceased's name.

You must report the deceased's income. Sign the claim on the deceased's signature line, write "Filing as surviving spouse." Enter the deceased's date of death in the "Deceased Taxpayers" box on the bottom of page 2 of the form.

If filing as a **personal representative or claimant** for a single deceased taxpayer or when both taxpayers are deceased:

- You must attach a U.S. Form *1310* or *Michigan Claim for Refund Due a Deceased Taxpayer* (Form MI-1310) and a death certificate
- Enter the name of the deceased person(s) in the Filer and Spouse name fields with "DECD" next to the name(s) and the representative's or claimant's name, title and address in the home address field
- Use the deceased's Social Security number on the form
- Enter the date(s) of death in the designated boxes on the bottom of page 2
- You must prorate for the number of days from January 1 until the date of death, see page 5 for prorating credit.

Total Household Resources

Total household resources are the total income (taxable and nontaxable) of both spouses or of a single person maintaining a household. They are AGI, excluding net business and farm losses, net rent and royalty losses, and any carryover of a net operating loss, plus all income exempt or excluded from AGI.

Total household resources include the following items not listed on the form:

- Capital gains on sales of your residence regardless of them being exempt from federal income tax
- Nongovernmental scholarship, stipend or grant payments paid directly to an educational institution
- Compensation for damages to character or for personal injury or sickness
- An inheritance (except an inheritance from your spouse)
- Proceeds of a life insurance policy paid on the death of the insured (except benefits from a policy on your spouse)
- Death benefits paid by or on behalf of an employer
- Minister's housing allowance
- Forgiveness of debt, even if excluded from AGI (e.g., mortgage foreclosure)
- Reimbursement from dependent care and/or medical care spending accounts
- Payments made on your behalf, except government payments, paid directly to third parties such as an educational institution or subsidized housing project.

Total household resources do NOT include:

- Net operating loss deductions taken on your federal return
- Payments received by participants in the foster grandparent or senior companion program
- Energy assistance grants
- Government payments made directly to a third party (e.g., payments to a doctor, GI Bill benefits and payments from a PELL grant).

NOTE: If payment is made from money withheld from your benefit, the payment is part of total household resources. (For example, the DHS may pay your rent directly to the landlord.)

- Money received from a government unit to repair or improve your homestead
- Surplus food or food assistance program benefits
- State and city income tax refunds and homestead property tax credits
- Chore service payments (these payments are income to the provider of the service)
- The first \$300 from gambling, bingo, lottery, awards, or prizes
- The first \$300 in gifts of cash or merchandise received, or expenses paid on your behalf (rent, taxes,

utilities, food, medical care, etc.) by parents, relatives, or friends

- Amounts deducted from Social Security or Railroad Retirement benefits for Medicare premiums
- Life, health, and accidental insurance premiums paid by your employer
- Loan proceeds
- Inheritance from a spouse
- Life insurance benefits from a spouse
- Payments from a long-term care policy made to a nursing home or other care facility
- Most payments from The Step Forward Michigan program.

For more information on Total Household Resources, visit www.michigan.gov/taxtotalhouseholdresources.

Special Provisions for Farmers

If you received a farmland preservation tax credit in 2014, you must include it in total household resources. You may subtract the business portion of your homestead property tax credit if you included it in taxable farm income.

Licensed Care Facilities

If you live in a licensed care facility, generally you do not qualify for the home heating credit. Licensed care facilities include adult foster care homes, licensed homes for the aged, nursing homes, and substance abuse treatment centers. If you lived in a licensed care facility only part of the year, you could qualify for a partial credit for the period you lived outside the facility. (See prorating instructions for a part-year owner or renter on this page.)

If your spouse lives in a licensed care facility and you live in the family homestead, you may still qualify for a credit. **File a joint credit claim and do not check a box on line 12.**

Subsidized senior citizen apartments are not licensed care facilities. If you live in a subsidized senior citizen apartment, you may apply for a credit.

Standard Credit

The standard credit computation uses standard allowances established by law. Use Table A on page 19 to find the standard allowance for the number of exemptions you claimed.

Shared Housing Standard Allowance

If you share a home but are not the owner or you do not have a contract to pay rent, you cannot claim a credit.

When two or more single adults share a home, each may claim a credit if each has contracted to pay rent or owns a share of the home. Each should file a home heating credit based on his or her total household resources and his or

her share of the standard allowance. First, determine the standard allowance from Table A on page 19 by adding the personal exemptions of all the claimants sharing a home. Divide this standard allowance by the number of claimants in the home.

Example: Three men share an apartment. Each has a signed lease and pays 1/3 of the rent. The standard allowance for three exemptions is \$763. Each person must use a standard allowance of \$254 ($\$763 \div 3 = \254) to compute his credit.

If you are eligible for a special exemption, compute your standard allowance following this example:

Example: Gertrude and Betty share a home and each pays one half of the rent. Gertrude is age 59, and Betty is age 65 and totally and permanently disabled. They file separate MI-1040CR-7 claims. They must first divide \$607 (the standard allowance for two exemptions) by two. Gertrude's allowance is \$304 ($\$607 \div 2 = \304). Because Betty qualifies for a special exemption for being disabled (as she is entitled to a disabled exemption until she is eligible for full Social Security at age 66), she may add the difference between the standard allowance for three (\$763) and the standard allowance for two (\$607) to \$304.

$$\$763 - \$607 = \$156 + \$304 = \$460$$

\$460 is the standard allowance for Betty.

If you are eligible for a dependent exemption, compute your standard allowance following this example:

Example: Marlin and Brody share an apartment. Each person has signed the lease agreement and pays one-half of the rent in 2014. The standard allowance for two exemptions is \$607. Each person must use a standard allowance of \$304 ($\$607 \div 2 = \304) to compute the credit.

Brody is eligible for a dependent exemption for his son, Logan, so he would then compute his credit as follows:

The standard allowance as computed above is \$304. Then add the difference between the standard allowance for three (\$763) and the standard allowance for two (\$607) to \$304.

$$\$763 - \$607 = \$156 + \$304 = \$460$$

\$460 is the standard allowance for Brody.

Part-Year Resident or Occupied Homestead Less Than 12 Months

You must prorate your standard allowance for the number of days you owned or rented and occupied your Michigan homestead. For example, you moved to Michigan on September 1. It is 122 days from September 1 to December 31. Divide 122 by 365 days and multiply

the result by your standard allowance. Enter the prorated standard allowance on line 35 of your claim.

If you are a part-year resident, you must include all income received from any sources while a Michigan resident in total household resources.

Alternate Credit

The alternate credit uses heating costs to compute a home heating credit. Add the amounts you were billed for heat from November 1, 2013 through October 31, 2014 (see instructions for line 11 below). If you buy bulk fuel (oil, coal, wood, or bottled gas), add your receipts to get your total heating cost. Treasury may request receipts to verify your heating costs. **If your claim is for less than 12 months or your heating costs are currently included in your rent, you cannot claim an alternate credit.** You may claim heating costs on your Michigan homestead only. You may **not** claim heating costs on a vacation home or a home outside of Michigan.

For assistance in determining the credit for which you may qualify, visit www.michigan.gov/heatingassistance.

Line-by-Line Instructions for MI-1040CR-7

Lines not listed are explained on the form.

Lines 1, 2 and 3: Enter your name(s), current address, and Social Security number(s). If you are married filing separately, enter both Social Security numbers but do **not** enter your spouse's name.

Line 4: Enter your two-digit county code from the County Code Table on page 19.

Line 5: Filing Status. Check the box to identify your filing status. If you file a joint federal return, you must file a joint home heating credit. Married couples who live together all year and file returns as married filing separately must check the box for joint filing status and include the total household resources of both spouses. An individual who became separated from their spouse during the tax year but is still married as of December 31 and who filed a return as married filing separately should check the married filing separately box and attach Form 5049. If you filed your federal return as head of household or qualifying widow(er), you must file the home heating credit as single.

Same-Sex Couples Filing a Joint Federal Return. Same-sex couples who file a joint federal income tax return must continue to file separate income tax returns for Michigan with each individual using the single filing status. Michigan has defined marriage in the Michigan Constitution as a union of one man and one woman. Individuals who file a joint federal return as a member of a same-sex couple may be eligible for a home heating credit as a single filer based on the filer's income, exemptions, and heating expenses. Each individual

Credit Payments

If you are responsible for paying your heating bills, State law requires Treasury to issue your credit in the form of a State of Michigan Energy Draft. You can only use the draft to pay heat bills. Give the draft to your enrolled heat provider who will apply it to current or future heating bills for your home. If the amount of your draft is more than you owe, you may request a refund of the difference by checking the box on line 15. Your heat provider has 14 days to pay your refund, without interest.

If you receive a draft and your heat provider is not enrolled in Michigan's energy assistance program, or if you use bulk fuel and have already bought your energy supply for the year, return the draft with a note of explanation to Treasury. Treasury will review your explanation and, if appropriate, reissue your credit in the form of a check. If you are notified of denial, you have the right to a hearing.

If you receive FIP assistance or other DHS benefits or you are enrolled with DHS for direct payment, the law requires your credit to be sent directly to your heat provider, who will then apply it to your account.

If your heat is provided by DTE Energy, Consumers Energy, or SEMCO Energy Gas, your home heating credit may be sent directly to your heat provider. (See instructions for line 15 on page 7.)

should recalculate their federal adjusted gross income as if they had filed a single federal return, and be aware that filing as single may affect the filer's eligibility for Michigan tax credits as well. Additional information can be found on Treasury's Web site.

Line 6: Residency. Check the box that describes your Michigan residency for 2014. If you and your spouse had a different residency status during the year, check a box for each of you. If you checked box c, enter the dates of Michigan residency in 2014. You must then prorate your standard allowance following the instructions on page 5 under "Part-Year Resident or Occupied Homestead Less Than 12 Months". If you are a nonresident, you are not eligible for the home heating credit; do not file this form. College students and others whose permanent homes are not in Michigan are **not** Michigan residents.

Line 7: If your heating costs are included in your rent, you must check the box on line 7 and complete line 38 of the form to receive a check. Failure to do so will result in your credit being issued as a draft. You will then have to return the draft with a note of explanation to Treasury. It may take 120 days or more to issue a check to replace the draft.

Line 11: If you checked the box on line 7 or the taxpayer died during the tax year and the credit is being claimed by a personal representative or claimant, skip this line. If you were not a full-year Michigan resident and/or were not billed for 12 months' heating costs between November 1, 2013 and October 31, 2014, skip this line. Otherwise, enter the heating costs you were

billed from November 1, 2013 to October 31, 2014 on your Michigan homestead. Many fuel companies include the total heating cost for those 12 months on the October bill. If you cannot find your bills or the information is not on your October bill, contact your heat provider.

Line 12: If you lived in one of the care facilities listed on line 12 for all of 2014, you are not eligible for a home heating credit and should not file this form. If you are married and your spouse lived in a licensed care facility while you lived in your homestead, **do not check a box.** Also, do not check the “Licensed Home for the Aged” box if you live in subsidized senior citizen housing. See “Licensed Care Facilities” on page 5.

Line 13: Exemptions. Enter the number that applies to **you, your spouse, and your dependents** as of December 31, 2014.

a) Personal Exemption. Enter “1” if you are single or married filing separately; “2” if you are married filing jointly.

b) Deaf, disabled or blind. You qualify for the deaf exemption if the primary way you receive messages is through a sense other than hearing (for example, lip reading or sign language).

You qualify for the disabled exemption if you are hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled. Blind means your better eye permanently has 20/200 vision or less with corrective lenses, or your peripheral field of vision is 20 degrees or less. Totally and permanently disabled means disabled as defined under Social Security Guidelines 42 USC 416. **If you are age 66 or older, you may not claim an exemption as totally and permanently disabled.**

c) Qualified disabled veteran. Taxpayers may claim an extra exemption if the taxpayer or spouse is a qualified disabled veteran, or a dependent of the taxpayer is a qualified disabled veteran. To be eligible for the additional exemption an individual must be a veteran of the active military, naval, marine, coast guard, or air service who received an honorable or general discharge and has a disability incurred or aggravated in the line of duty as described in 38 USC 101(16).

g) Include dependents over age 18 who live with you.

Line 14: If you claimed exemptions for children or dependent adults other than your spouse on lines 13d through 13g, enter the following information for each person claimed: name, relationship to you, Social Security number, and age in years. For children 12 months and under, enter one year. If the SSN is left blank the credit will be adjusted accordingly. If more space is needed, complete the *Michigan Home Heating Credit Claim MI-1040CR-7 Supplemental* (Form 4976) on page 15.

Line 15: If your heat is provided by DTE Energy, Consumers Energy, or SEMCO Energy Gas, your home heating credit may be sent directly to your heat provider. If the credit amount exceeds your heat account balance, check this box to receive a refund from your heat provider for the overpayment, when eligible.

If you received heating assistance from DHS, a governmental agency, or a nonprofit organization in the 12 months prior to the receipt of your home heating credit, your heat provider will apply your credit to any outstanding balance still remaining on your account. If, after nine months, a refund balance still remains on account with your heat provider, your heat provider will issue a refund to you. If you have not received heating assistance in the past 12 months, your heat provider will first apply your credit to any outstanding balance on your account and then issue any remaining balance to you as a refund. The home heating credit is not considered heating assistance for determining when you may receive a refund.

Heat Provider Contact Information

Consumers Energy	1-800-477-5050 www.consumersenergy.com
DTE Energy	1-800-477-4747 www.dteenergy.com
SEMCO Energy Gas	1-800-624-2019 www.semcoenergygas.com

Total Household Resources

You must complete lines 16 through 34 on MI-1040CR-7 even if you filed a homestead property tax credit claim (MI-1040CR or MI-1040CR-2). Include all taxable and non-taxable income you and your spouse received in 2014. If your family lived in Michigan and one spouse earned wages outside Michigan, include the income earned both in and out-of-state in your total household resources.

Line 16: Enter all compensation received as an employee. Include strike pay, supplemental unemployment benefits (SUB pay), sick pay, or long-term disability benefits, including income protection insurance and any other amounts reported to you on Form W-2.

Line 17: Do not include business dividend and interest income reported as a distributable share on Form K-1. See line 18 instructions.

Line 18: Add the amounts from:

- U.S. *Schedule C* (Profit or Loss from Business)
- Part II (Ordinary Gains and Losses) of the U.S. Form 4797
- Part II (Income or Loss from Partnerships and S Corporations) and Part III (Income or Loss from Estates and Trusts) of the U.S. *Schedule E*
- U.S. *Schedule F* (Profit or Loss from Farming)
- Include income items reported as a distributive share.

If the total is negative enter “0.” Include amounts from sources outside Michigan. Attach the above federal schedules to your claim.

Line 19: Add the amounts from:

- Part I (Income or Loss from Rental Real Estate and Royalties) of the U.S. *Schedule E*

- Part IV (Income or Loss from Real Estate Mortgage Investment Conduits (REMIC)) of the U.S. *Schedule E* (rents, royalties)
- Part V (Summary) (Net farm rental income or (loss)) of the U.S. *Schedule E*.

If the total is negative enter “0.” Include amounts from sources outside Michigan. Attach the above federal schedules to your claim.

Line 20: Enter all annuity, retirement pension, and individual retirement account (IRA) benefits. This should be the taxable amount shown on your U.S. Form *1099-R*. If no taxable amount is shown on your U.S. Form *1099-R*, use the amount required to be included in AGI. Enter zero if all of your distribution is from your contributions made with income previously included in AGI. Include reimbursement payments such as an increase in a pension to pay for Medicare charges. Also include the total amount of any lump sum distribution including amounts reported on your U.S. Form *4972*. Do **not** include recoveries of after-tax contributions or amounts rolled over into another plan (amounts rolled over into a Roth IRA must be included to the extent included in AGI).

You must include any part of a distribution from a Roth IRA that exceeds your total contributions to the Roth IRA regardless of whether this amount is included in AGI. Assume that all contributions to the Roth IRA are withdrawn first. **NOTE:** Losses from Roth IRAs cannot be deducted.

Line 21: Enter net capital gains and losses. This is the total of short-term and long-term gains less short-term and long-term losses from your U.S. *Schedule D* (losses cannot exceed \$3,000 if single or married filing jointly or \$1,500 if married filing separately). Include gains realized on the sale of your residence whether or not these gains are exempt from federal income tax.

Line 22: Enter alimony received and other taxable income. Describe other taxable income. This includes: awards, prizes, lottery, bingo, and other gambling winnings over \$300; farmland preservation tax credits if not included in net farm income on line 18; and forgiveness of debt to the extent included in federal AGI (e.g., mortgage foreclosure).

Line 23: Enter your Social Security, Supplemental Security Income (SSI), and/or Railroad Retirement benefits. Include death benefits **and amounts received for minor children or other dependent adults** who live with you. Report the amount actually received. Medicare premiums reported on your Social Security or Railroad Retirement statement should be deducted.

Line 24: Enter child support and all payments received as a foster parent. **NOTE:** If you received a *2014 Custodial Party (CP) End of Year Statement* (FEN-851) showing child support payments paid to the Friend of the Court, enter the child support portion here and attach a copy of the statement. Also see line 29 instructions.

Line 25: Enter all unemployment compensation received during 2014.

Line 26: Enter the value over \$300 in gifts of cash or merchandise received, or expenses paid on your behalf (rent, taxes, utilities, food, medical care, etc.) by parents, relatives, or friends. This includes the amount of financial support you received if you are claimed as a dependent on someone else’s return. Do not include government payments made directly to third parties such as an educational institution or subsidized housing project.

Line 27: Enter other nontaxable income. This includes:

- Nongovernmental scholarship, stipend or grant payments paid directly to an educational institution
- Compensation for damages to character or for personal injury or sickness
- Adoption subsidies
- An inheritance (except an inheritance from your spouse)
- Proceeds of a life insurance policy paid on the death of the insured (except benefits from a policy on your spouse)
- Death benefits paid by or on behalf of an employer
- Minister’s housing allowance
- Forgiveness of debt to the extent not included in federal AGI (e.g., mortgage foreclosure)
- Reimbursement from dependent care and/or medical care spending accounts.

For more information, see “Total Household Resources” on page 4.

Line 28: Enter workers’ compensation, service-connected disability compensation and pension benefits from the Veterans Administration. Veterans receiving retirement benefits should enter the benefits on line 20.

Line 29: Enter the total payments made to your household by DHS and all other public assistance payments. Your *2014 Client Annual Statement* (DHS-1241) mailed by DHS in January 2015 will show your total DHS payments. Your statement(s) may include the following: FIP assistance, State Disability Assistance (SDA), Refugee Assistance, Repatriate Assistance, and vendor payments for shelter, heat, and utilities.

NOTE: If you received a Form FEN-851, subtract the amount of child support payments entered on line 24 from the total DHS payments and enter the difference here.

Line 31: Enter total adjustments from your U.S. Form *1040* or U.S. Form *1040A*. Describe adjustments to income. These adjustments reduce total household resources and include some of the following:

- Payments to IRAs, SEP, SIMPLE, or qualified plans
- Student loan interest deduction
- Moving expenses **into** or **within** Michigan can be included in “Other Adjustments” to reduce total household resources. Moving expenses when moving

out of Michigan cannot be included in “Other Adjustments” to reduce total household resources

- Deduction for self-employment tax
- Self-employed health insurance deduction
- Penalty on early withdrawal of savings
- Alimony paid
- Jury duty pay you gave to your employer
- Archer Medical Savings Account (MSA) deduction
- Any other adjustments to gross income included on your 2014 U.S. Form 1040
- Health Savings Account (HSA) deduction.

Line 32: Enter health insurance premiums, Health Maintenance Organization (HMO) premiums, or other insurance premiums you paid for yourself and your family. Include the following premiums:

- Medical insurance
- Dental insurance
- Vision insurance
- Prescription drug plan
- Automobile insurance (medical care portion only).

Do **not** include any insurance premiums deducted on line 23 or line 31, amounts paid for income protection insurance (long-term disability), long-term care insurance, or amounts paid by an employer with pre-tax payroll contributions.

You must reduce an insurance premium by the federal premium tax credit received under the Patient Protection and Affordable Care Act. Use the 2014 U.S. Premium Tax Credit Form 8962 to calculate the net insurance premium. The annual total insurance premium (line 11A of U.S. Form 8962 or the sum of lines 12A through 23A of U.S. Form 8962) less the total premium tax credit (line 24 of U.S. Form 8962) may be claimed.

Your Credit

There are two ways to compute a home heating credit: the standard credit and the alternate credit. If you are eligible to claim either credit, figure your credit both ways and claim the larger amount.

Lines 35 through 37: Standard credit. See Table A on page 19. Find the number of exemptions you are allowed and the corresponding income ceiling amount. If your total household resources are less than this amount, you are eligible to use this method to calculate your credit.

Example: You and your spouse have three dependent children, so you are allowed five exemptions. Your total household resources are \$15,000. This is less than the \$30,728 income ceiling for five exemptions. Complete the form using the standard credit method.

If you are a part-year resident or occupied your homestead less than 12 months, see page 5 to prorate your standard allowance.

Line 38: If your heat is included in your rent at the time you file this claim, you must reduce your computed standard credit by 50 percent (0.50). Multiply line 37 by 0.50. Enter this amount on lines 38 and 43.

Lines 39 through 42: Alternate credit. If your claim is for less than 12 months or your heat cost is included with your rent, you are not eligible to use this method. If your total household resources is less than the maximum income for your number of Michigan exemptions, you may claim this credit. See Table B on page 19.

Example: You are single, have one dependent child and your 70-year old father is also your dependent. You are allowed three exemptions. Your annual heat costs were \$1,100 and your total household resources are \$5,500. This is less than \$23,222 the maximum income for three exemptions.

Line 43: If you completed line 38, you **must** enter that amount here. Otherwise, enter the larger amount from line 37 or line 42.

Line 44: Multiply the amount on line 43 by 50 percent (0.50) (the percentage of federal home heating assistance funds available for this year) and enter here. This is the amount of your 2014 home heating credit.

TABLE A
2014 Home Heating Credit Standard Allowance

Your Exemptions (from line 13h)	Standard Allowance	Income Ceiling
0 or 1	\$450	\$12,842
2	\$607	\$17,329
3	\$763	\$21,786
4	\$919	\$26,243
5	\$1,076	\$30,728
6	\$1,232	\$35,186
	+ \$156 for each exemption over 6	+ \$4,457 for each exemption over 6

TABLE B
Exemptions and Maximum Income for the Alternate Credit Computation

Your Exemptions (from line 13h)	Maximum Income
0 or 1	\$13,727
2	\$18,472
3	\$23,222
4 or more	\$24,018

COUNTY CODE TABLE

01 Alcona	22 Dickinson	43 Lake	64 Oceana
02 Alger	23 Eaton	44 Lapeer	65 Ogemaw
03 Allegan	24 Emmet	45 Leelanau	66 Ontonagon
04 Alpena	25 Genesee	46 Lenawee	67 Osceola
05 Antrim	26 Gladwin	47 Livingston	68 Oscoda
06 Arenac	27 Gogebic	48 Luce	69 Otsego
07 Baraga	28 Grand Traverse	49 Mackinac	70 Ottawa
08 Barry	29 Gratiot	50 Macomb	71 Presque Isle
09 Bay	30 Hillsdale	51 Manistee	72 Roscommon
10 Benzie	31 Houghton	52 Marquette	73 Saginaw
11 Berrien	32 Huron	53 Mason	74 St. Clair
12 Branch	33 Ingham	54 Mecosta	75 St. Joseph
13 Calhoun	34 Ionia	55 Menominee	76 Sanilac
14 Cass	35 Iosco	56 Midland	77 Schoolcraft
15 Charlevoix	36 Iron	57 Missaukee	78 Shiawassee
16 Cheboygan	37 Isabella	58 Monroe	79 Tuscola
17 Chippewa	38 Jackson	59 Montcalm	80 Van Buren
18 Clare	39 Kalamazoo	60 Montmorency	81 Washtenaw
19 Clinton	40 Kalkaska	61 Muskegon	82 Wayne
20 Crawford	41 Kent	62 Newaygo	83 Wexford
21 Delta	42 Keweenaw	63 Oakland	

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Help With Child Care Costs

If your family income is at or below levels established by the Michigan Department of Education, you may be eligible for help with child care costs. For example, a family of three with an income of less than \$23,880 may qualify for partial payment of child care costs. Contact any local Department of Human Services office or your Great Start to Quality Resource Center for assistance in the application process. For more details about the Child Development and Care program, visit www.michigan.gov/childcare. To find a licensed or registered child care provider in your area, visit www.greatstarttoquality.org.

Winter Protection Plan

If you are a low income or senior citizen customer of a natural gas or electric utility company, rural electric cooperative, regulated by the Michigan Public Service Commission, or an alternative energy supplier and would like to participate in the Winter Protection Plan, a payment deferral program that provides winter shut off protection from November 1 to March 31, contact your local energy supplier or the Michigan Public Service Commission at 1-800-292-9555 for details.

Low Interest Home Improvement Loans

Energy bills too high? The Michigan State Housing Development Authority (MSHDA) offers low interest home improvement loans (4 percent to 8 percent) to qualified homeowners. You can borrow up to \$25,000 without any equity, and add insulation, replace your furnace, install energy efficient windows, and pay for other eligible energy improvements. For more details, visit www.michigan.gov/mshda, then click on the Home Improvement link. You may also call (517) 373-8017.

Affordable Rental Housing

Looking for affordable rental housing?

Go to www.MichiganHousingLocator.com. It is the best source for affordable rental housing across the State. It's a free resource for property owners and renters with over 240,000 unit listings.

Treasury Offices

Commonly used forms are available at Treasury offices listed below. Treasury office staff do not prepare tax returns.

DETROIT

Cadillac Place, Suite L-380
3060 W. Grand Blvd.

DIMONDALE *

7285 Parsons Drive
(*NOT a mailing address)

ESCANABA

State Office Building, 1st Floor
305 Ludington Street
(open 8 - 12 only)

FLINT

State Office Building, 7th Floor
125 E. Union Street

GRAND RAPIDS

State Office Building, 2nd Floor
350 Ottawa Avenue, NW - Unit 17

STERLING HEIGHTS

41300 Dequindre Road, Suite 200

TRAVERSE CITY

701 S. Elmwood Avenue, 4th Floor
(open 8 - 12 only)