

# INFORMATION AND INSTRUCTIONS FOR THE LOW INCOME SEWER UTILITY CREDIT

## **OVERVIEW**

The Low Income Sewer Utility Credit Program is modeled on the State's Low Income Energy Assistance program. It is designed to help low income homeowners pay their sewage fees. Eligible homeowners can receive up to a \$60 credit on their LBWL utility bill if their sewer bill exceeds 2% of their household income. Applications are accepted through June 30<sup>th</sup> of each year. You should expect your credit to appear on your LBWL by August or September of the year that you filed depending on your bill cycle.

## **ELIGIBILITY**

Only qualified low income residential homeowners using the City of Lansing's sewer system are eligible to participate in this program. Income eligibility is patterned after the most recently available income guidelines used in the State of Michigan Home Heating Credit. All account balances must be current and fully paid-up with the BW&L at the time of application. People who live in a nursing home, an adult foster care home or a home for the aged are not eligible for this credit; businesses are not eligible for this program. People who rent their home or live in commercial apartment buildings are not eligible for this program.

## **METHODOLGY**

There is a simple method for computing a sewer utility credit. The amount of the sewer utility credit is determined by first figuring the amount of your household income and the number of exemptions you can claim to determine program eligibility. Using the table below find the total exemptions you may claim. The figure to the right of the exemptions claimed (2007 Income Ceiling) shows the maximum income which can be earned to be eligible for the credit.

<b>YOUR EXEMPTIONS</b>	<b>2008 INCOME CEILING</b>
1	\$10,400
2	\$14,000
3	\$17,600
4	\$21,200
5	\$24,800
6	\$28,400
7	\$32,000
8	\$35,600
9 or more	\$3,600 for each add'l exemption

Once your qualification is confirmed, the sewer utility credit will be based on that portion of the sewer bill that is in excess of 2.0% of your household income (up to a maximum of \$60). The homeowner will not get a credit if their household income exceeds the amount in the income ceiling column on the right of the table. Partial credit will be given for homeowners who have lived in their home for less than one full year (12 months). The amount of credit will be pro-rated based on the amount of time a claimant has owned their home and paid sewer utility bills (1 month = 1/12 of one year). If you do not know the total amount of your annual sewer bill you can obtain this information by phoning the Board of Water and Light Customer Service Call Center at 517.702.6006.

## **SAMPLE COMPUTATION**

John & Mary Smith had a household income of \$16,000 in calendar year 2007. They own their home and paid monthly sewer bills of \$30 a month that same year. They have two (2) children, so they are entitled to four (4) exemptions.

<b>Line 1</b> - Household income	<u>\$16,000</u>
<b>Line 2</b> - Maximum Income Ceiling from table with 4 exemptions	<u>\$21,200</u>
If Line 1 is greater than Line 2 then STOP, you DO NOT qualify for this credit	
If Line 2 is greater than Line 1 then proceed to Line 3	
<b>Line 3</b> - Annual Sewer Bill (Total of 12 monthly bills)	<u>\$360</u>
<b>Line 4</b> - Less 2% of household income (.20 x 16,000)	<u>\$320</u>
If Line 4 is greater than Line 3 then STOP, you DO NOT qualify for this credit	
If Line 3 is greater than Line 4 then proceed to Line 5	
<b>Line 5</b> - Subtract Line 4 from Line 3	<u>\$40</u>
If Line 5 is less than \$60 then Sewer Utility Credit = amount on line 5	
If Line 5 is greater than \$60 then Sewer Utility Credit = \$60	
<b>Line 6</b> - Sewer Utility Credit	<u>\$40</u>

**You must send in verification of your income and your sewer utility bill, which can be a copy of your Michigan Income Tax return and a copy of your Lansing Board of Water & Light bill.**