

114TH CONGRESS
2D SESSION

H. R. 4615

To amend the Internal Revenue Code of 1986 to exclude from gross income amounts received from a water department for water conservation efficiency measures and water runoff management improvements.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2016

Mr. HUFFMAN (for himself and Mr. ROHRABACHER) 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 exclude from gross income amounts received from a water department for water conservation efficiency measures and water runoff management improvements.

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 “Water Conservation
5 Rebate Tax Parity Act”.

1 **SEC. 2. EXCLUSION OF AMOUNTS RECEIVED FROM A**
2 **WATER DEPARTMENT FOR WATER CON-**
3 **SERVATION EFFICIENCY MEASURES AND**
4 **WATER RUNOFF MANAGEMENT IMPROVE-**
5 **MENTS.**

6 (a) IN GENERAL.—Part III of subchapter B of chap-
7 ter 1 of the Internal Revenue Code of 1986 is amended
8 by inserting after section 139E the following new section:
9 **“SEC. 139F. WATER CONSERVATION EFFICIENCY MEAS-**
10 **URES AND WATER RUNOFF MANAGEMENT IM-**
11 **PROVEMENTS.**

12 “(a) IN GENERAL.—Gross income shall not include
13 the value of any water conservation and efficiency measure
14 or water runoff management improvement (or any sub-
15 sidy, rebate, or other amount for such a measure or im-
16 provement) received directly or indirectly from a water de-
17 partment.

18 “(b) DENIAL OF DOUBLE BENEFIT.—Notwith-
19 standing any other provision of this subtitle, no deduction
20 or credit shall be allowed for, or by reason of, any expendi-
21 ture to the extent of the amount excluded under sub-
22 section (a) for any subsidy, rebate or other amount which
23 was provided with respect to such expenditure. The ad-
24 justed basis of any property shall be reduced by the
25 amount excluded under subsection (a) which was provided
26 with respect to such property.

1 “(c) DEFINITIONS.—For purposes of this section—

2 “(1) WATER CONSERVATION AND EFFICIENCY
3 MEASURE.—The term ‘water conservation and effi-
4 ciency measure’ means any evaluation of water use,
5 or any installation or modification of property, the
6 primary purpose of which is to reduce consumption
7 of water or to improve the management of water de-
8 mand with respect to one or more dwelling units.

9 “(2) WATER RUNOFF MANAGEMENT IMPROVE-
10 MENT.—The term ‘water runoff management im-
11 provement’ means any installation or modification of
12 property the primary purpose of which is to reduce
13 or manage storm water runoff with respect to one or
14 more dwelling units.

15 “(3) WATER DEPARTMENT.—The term ‘water
16 department’ means any entity (including a public or
17 private utility, the Federal Government, a State or
18 local government or any political subdivision thereof,
19 or any instrumentality of the foregoing) engaged
20 in—

21 “(A) the provision of water to the public
22 through pipes or other constructed conveyances,
23 or

1 “(B) the collection, treatment, manage-
2 ment, or disposal of stormwater or wastewater
3 generated by the public.

4 “(4) DWELLING UNIT.—The term ‘dwelling
5 unit’ has the meaning given such term by section
6 280A(f)(1).”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for part III of subchapter B of chapter 1 of such Code
9 is amended by inserting after the item relating to section
10 139E the following new item:

 “Sec. 139F. Water conservation efficiency measures and water runoff manage-
 ment improvements.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2014.

14 (d) NO INFERENCE REGARDING PROPER TAX
15 TREATMENT.—Nothing in this Act or the amendments
16 made by this Act shall be construed to create any infer-
17 ence with respect to the proper tax treatment of any sub-
18 sidy or rebate received directly or indirectly from a water
19 department for any water conservation and efficiency
20 measure or water runoff management improvement in any
21 taxable year ending on or before the date of the enactment
22 of this Act.

○