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November __, 2017

The Honorable Jared Huffman
1406 Longworth House Office Building
Washington, DC 20515

Dear Congressman Huffman:

The Alliance for Water Efficiency and the undersigned organizations strongly support HR 448, the *Water Conservation Rebate Tax Parity Act*, and your continuing efforts to advance widespread water conservation and storm water management practices by homeowners throughout the country.

Public utilities in every state offer rebate programs to promote water conservation and storm water management, but the rebates they pay to homeowners who help are currently seen as taxable income to the recipient. This is in stark contrast to the treatment of similar energy efficiency rebates, which Congress declared non-taxable in 1992 under Section 136 of the Internal Revenue Code.

Taxing water conservation rebates acts as significant disincentive for millions of Americans willing to do their part in promoting clean waterways and conservation of our vital water resources. Faced with growing water shortages in all parts of the country, it makes no sense to penalize citizens who spend their own money to help solve these problems.

The modest but effective change you propose in HR 448 would provide the much needed clarification that water conservation and stormwater management rebates are indeed non-taxable, just as comparable energy conservation rebates are non-taxable.

The Alliance for Water Efficiency is a stakeholder-based, non-profit organization dedicated to the efficient and sustainable use of water. Our members and supporters include regional, state and local water utilities, plumbing, appliance and irrigation manufacturers, governmental planning agencies, environmental and energy advocacy organizations, water-use experts, corporations and individuals, all of whom are working every day to promote the efficient and sustainable use of water in the United States and Canada.

We greatly appreciate your leadership in sponsoring this bipartisan legislation and stand ready to assist you in advancing this critical issue.

Sincerely,

Alliance for Water Efficiency
Chicago, IL

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