August 12, 2019

The Honorable Jared Huffman
1527 Longworth House Office Building
Washington, DC 20515

RE: SUPPORT FOR HR 2313

Dear Congressman Huffman:

The Alliance for Water Efficiency and the 75 undersigned water utilities, manufacturers, distributors, consumer groups, and water efficiency advocates strongly support H.R. 2313, the Water Conservation Tax Parity Act, and we applaud your leadership in sponsoring this important legislation.

Your bill would make clear that rebates provided by water utilities for water conservation and water runoff management improvements are not subject to federal income taxation. As the bill’s title implies, it would create parity between water conservation rebates, which can be taxed, and energy conservation rebates, which Congress declared nontaxable in 1992.

Water utilities are offering rebates to incentivize the reduction of water use and to ease the strain on public infrastructure. These programs can provide significant water savings, which is a societal benefit, not a personal benefit to the consumer.

As these rebate programs have grown, however, so have the size of rebates and the number of homeowners receiving an Internal Revenue Service (IRS) Form 1099 reporting “income” of $600 or more. The Treasury Department and the IRS have so far taken the position that these rebates are taxable as income to the recipient. At the same time, the Treasury Department has urged Congress in the past to amend the Internal Revenue Code to make water conservation rebates tax-exempt, just as energy efficiency rebates are.

Your bill would make that change and eliminate a major disincentive for millions of Americans willing to do their part in promoting water conservation efforts.

We stand ready to assist you in the passage of this bill.

Sincerely yours,

Alliance for Water Efficiency
Chicago, IL

American Rivers
Decatur, GA

Arizona Municipal Water Users Association
Phoenix, AZ

Alameda County Water District
Fremont, CA

Amherst, MA

Arizona Nursery Association
Tempe, AZ
Municipal Water District of Orange County
Fountain Valley, CA

Myoma Dunes Mutual Water Company
Bermuda Dunes, CA

Northern Water
Berthoud, CO

Northwest EcoBuilding Guild
Olympia, WA

Nth Solutions, LLC
Exton, PA

City of Oceanside
Oceanside, CA

Plumbing Manufacturers International
McLean, VA

Purlin, LLC
Sarasota, FL

Rancho California Water District
Temecula, CA

Regional Water Providers Consortium
Portland, OR

City of Round Rock
Round Rock, TX

Sacramento Suburban Water District
Sacramento, CA

San Bernardino Valley Municipal Water District
San Bernardino, CA

San Diego County Water Authority
San Diego, CA

San Francisco Public Utilities Commission
San Francisco, CA

Santa Margarita Water District
Rancho Santa Margarita, CA

City of Santa Barbara
Santa Barbara, CA

City of Santa Cruz Water Department
Santa Cruz, CA

Scottsdale Water
Scottsdale, AZ

Southern Nevada Water Authority
Las Vegas, NV

Stewardship Partners
Seattle, WA

Tampa Bay Water
Clearwater, FL

City of Thornton
Thornton, CO

Tohono O’odham Nation
Sells, AZ

TOTO USA, Inc.
Morrow, GA

Tualatin Valley Water District
Beaverton, OR

Tucson Water
Tucson, AZ

Valley Water
San Jose, CA

WasteWater Education
Traverse City, MI

Water – Use It Wisely
Phoenix, AZ

Water Demand Management
Boulder, CO

Water Wise Program,
University of Arizona – Cochise County Cooperative Extension
Sierra Vista, AZ

City of Westminster
Westminster, CO

Whirlpool Corporation
Benton Harbor, MI