



March 1, 2016

The Honorable Jared Huffman  
1630 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Dana Rohrabacher  
2300 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressmen Huffman and Rohrabacher:

Created in June 1992, Western Urban Water Coalition (WUWC) consists of the largest urban water utilities in the West, serving over 35 million western water consumers in major metropolitan areas in five states. WUWC has been actively seeking Congressional action to support critical residential water conservation and storm water management measures and eliminate the potential for taxation of the rebates.

WUWC strongly supports the establishment of parity between water efficiency rebates and energy efficiency rebates that is set forth in H.R. 4615, the Water Conservation Tax Parity Act. The WUWC is an active public and legislative advocate for progressive water and resource management. In a time when water is becoming more scarce and critical to the West's sustainability, many WUWC members are at the forefront of water reuse, conservation and optimization.

WUWC understands the need for your bill which clarifies that rebates provided by water utilities for water conservation and runoff management improvements are excluded from gross income and appreciates your leadership in sponsoring this bipartisan legislation. WUWC is a long-time proponent of, and sees the many benefits of, creating parity between water efficiency rebates, which can be taxed, and energy efficiency rebates, which Congress declared nontaxable in 1992. Importantly, the Joint Committee on Taxation has found that exempting these rebates from gross income would have a "negligible" budget impact.

Many WUWC member utilities and agencies have been offering rebate programs to promote water conservation and storm water management. These rebates help stimulate private investment in responsible and reduced water use; however, residential participation is essential to their success. Taxing water rebates is a significant disincentive for millions of Americans willing to do their part in promoting clean waterways and water conservation.

The simple but effective change proposed in H.R. 4615 is crucial to ensuring residents continue to participate in water conservation programs that play an important role in responding to the water crisis facing our nation. Encouraging residents to reduce water usage by replacing water-thirsty lawns, installing “gray water” capture systems or purchasing new water-efficient appliances can provide significant water savings. These rebates are not income, but an effort to defray upfront consumer costs for a public benefit.

The WUWC stands ready to assist you in passing H.R. 4615.

Sincerely,

A handwritten signature in blue ink that reads "Michael P. Carlin". The signature is written in a cursive style with a large initial "M" and a distinct "P" and "C".

Michael Carlin