

July 26, 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 72 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

**Amy Vickers &  
Associates, Inc.**  
Amherst, MA

**Arizona Nursery  
Association**  
Tempe, AZ

**Association of Professional Landscape Designers - California Chapter**  
Sacramento, California

**Aurora Water**  
Aurora, CO

**City of Bend**  
Bend, OR

**Big Bear Lake Department of Water**  
Big Bear Lake, CA

**Bottom Line Utility Solutions, Inc.**  
Laguna Hills, CA

**C + C**  
Seattle, WA

**California Water Efficiency Partnership**  
Sacramento, CA

**Carpinteria Valley Water District**  
Carpinteria, CA

**Town of Cary**  
Cary, NC

**Cobb County Water System**  
Marietta, GA

**Codes and Standards International**  
Belen, NM

**Contra Costa Water District**  
Concord, CA

**City of Durham**  
Durham, NC

**East Bay Municipal Utility District**  
Oakland, CA

**Elevate Energy**  
Chicago, IL

**Exergy Systems, Inc.**  
Irvine, CA

**City of Flagstaff**  
Flagstaff, AZ

**Golden State Water Company**  
San Dimas, CA

**City of Goodyear**  
Goodyear, AZ

**Green Builder Coalition**  
Glen Carbon, IL

**H2O Connected, LLC**  
Coatesville, PA

**Hawai'i Commission on Water Resource Management**  
Honolulu, HI

**Intellecty, Inc.**  
San Diego, CA

**International Association of Plumbing & Mechanical Officials**  
Dayton, NJ

**Jordan Valley Water Conservancy District**  
Jordan, UT

**Kat with a K Landscaping**  
Seattle, WA

**Las Vegas Valley Water District**  
Las Vegas, NV

**LIXIL Corp/American Standard Brands**  
Piscataway, NJ

**Madison Water Utility**  
Madison, WI

**ManageWater Consulting, Inc.**  
Redwood City, CA

**City of Mesa**  
Mesa, AZ

**Metropolitan Water District of Southern California**  
Los Angeles, CA

**Miami Dade Water & Sewer Dept.**  
Miami, FL

**Monterey Peninsula Water Management District**  
Monterey, CA

**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

**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