



Colorado Water Congress

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THE LEADING VOICE OF COLORADO'S WATER COMMUNITY

Sept 14, 2017

RE: H.R.448

Dear Colorado Delegation,

The Colorado Water Congress is a membership organization consisting of more than 350 members, serving as the principal voice of Colorado's water community. On behalf of our members, the Colorado Water Congress is writing to express our support for H.R. 448, the Water Conservation Tax Rebate Parity Act. Included in the Water Congress' diverse membership are water utilities and water users. This legislation will benefit both by treating rebates for water conservation programs the same as energy efficiency rebates under the federal tax code. Water and energy flow hand-in-hand and should be treated the same. Congress declared energy efficiency rebates non-taxable in the tax code in 1992. Water conservation rebates should not be treated as reportable income, but instead encouraged as non-taxable investments in our water future.

The minor, but effective, change proposed in H.R. 448 is crucial to ensuring that water users continue to participate in water conservation programs, especially considering the long-lasting effects of drought facing the western United States. The Joint Committee on Taxation found that exempting these rebates from gross income would have an overall minimal budget impact. Encouraging residents to participate in rebate programs, like Denver Water's low flow fixture rebate program and turf modification programs that reduce outdoor residential water consumption, are powerful programs promoting conservation and awareness.

Water utilities have historically offered various water conservation rebate programs. This legislation clarifies that such rebates are not reportable income. Taxing water rebates only discourages utilities and millions of Americans from actively supporting wise water conservation practices. Residential participation is vital to the success of these water conservation programs.

The Colorado Water Congress urges passage of H.R. 448, eliminating the potential for taxation of conservation rebates. Water savings should be treated like energy efficiency under the federal tax code to successfully promote integrated conservation. The Water Congress appreciates your leadership in sponsoring this bipartisan legislation and stands ready to assist you in advancing this issue.

Sincerely,

Doug Kemper
Executive Director

Andy Colosimo
Federal Affairs Committee Chair

Chris Treese
Federal Affairs Committee Vice Chair