



**CPWC**  
COALITION TO PROMOTE WATER CONSERVATION

December 10, 2015

The Honorable Orrin G. Hatch  
Chairman, Senate Committee on Finance  
104 Hart Office Building  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member, Senate Committee on Finance  
221 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

The Coalition to Promote Water Conservation (CPWC) seeks your support for including a provision in the final Fiscal Year 2016 appropriations legislation or the tax extenders legislation that would clarify that water conservation subsidies are excluded from gross income. The CPWC is an ad hoc affiliation of water supply entities and organizations throughout the country that seeks to advance widespread water conservation practices by the consumers of water.

As you are aware, many of the western states have been facing a severe drought. The Coalition is seeking support for immediate action Congress can take to promote critical residential water conservation measures.

Public utilities have been offering programs such as rebates to promote turf removal and replacement with water-conscious landscaping to promote water conservation and storm water management by providing subsidies. These subsidies and the actions they promote help stimulate responsible water use; however, residential participation is essential to their success.

Section 136 of the Internal Revenue Code exempts energy conservation subsidies from inclusion in gross income, but there is no similar express exemption for water conservation measures and storm water management. The CPWC believes these programs are just as valuable as energy conservation programs and should be treated equally, particularly at a time when promoting water conservation is of paramount importance.

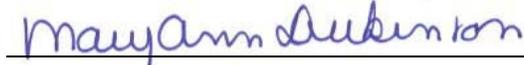
We are seeking your support for parity within Section 136 to apply to water conservation and storm water management programs starting January 1, 2015. The Joint Committee on Taxation provided a score on a similar proposal and found a negligible revenue effect for the 2016-2025 budget window.

This simple but effective change is crucial to ensuring residents continue to participate in water conservation programs that play an important role in responding to the water crisis facing the west. Please support its inclusion in the final Fiscal Year 2016 appropriations or tax extenders legislation. Thank you for your attention to this issue.

Sincerely,

COALITION TO PROMOTE WATER CONSERVATION

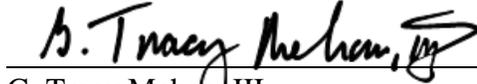
Alliance For Water Efficiency



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Mary Ann Dickinson  
President and CEO

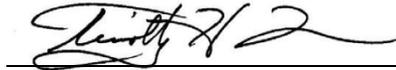
American Water Works Association



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G. Tracy Mehan III  
Executive Director of Government Affairs

Association of California Water Agencies



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Tim Quinn  
Executive Director

National Association of Water Companies



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Michael Deane  
Executive Director

National Water Resources Association



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Robert W. Johnson  
Executive Vice President

U.S. Water Alliance



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Radhika Fox  
Chief Executive Officer

Western Coalition of Arid States



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Kelly Collins  
President

Western Urban Water Coalition



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Michael Carlin  
Chairman