

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To amend the Internal Revenue Code of 1986 to expand the exclusion for energy conservation subsidies provided by public utilities to include subsidies provided by public utilities and State and local governments for water conservation and storm water management.

**IN THE SENATE OF THE UNITED STATES—114th Cong., 2d Sess.**

**H. R. 636**

To amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mrs. FEINSTEIN (for herself, Mr. BENNET, and Mrs. BOXER) to the amendment (No. 3464) proposed by Mr. THUNE (for himself and Mr. NELSON)

Viz:

- 1 At the appropriate place, insert the following:
- 2 **SEC. \_\_\_\_ . MODIFICATIONS TO INCOME EXCLUSION FOR**
- 3 **CONSERVATION SUBSIDIES.**
- 4 (a) IN GENERAL.—Subsection (a) of section 136 of
- 5 the Internal Revenue Code of 1986 is amended—
- 6 (1) by striking “any subsidy provided” and in-
- 7 sserting “any subsidy—
- 8 “(1) provided”,

1           (2) by striking the period at the end and insert-  
2           ing a comma, and

3           (3) by adding at the end the following new  
4           paragraphs:

5           “(2) provided (directly or indirectly) by a public  
6           utility to a customer, or by a State or local govern-  
7           ment to a resident of such State or locality, for the  
8           purchase or installation of any water conservation  
9           measure, or

10          “(3) provided (directly or indirectly) by a storm  
11          water management provider to a customer, or by a  
12          State or local government to a resident of such State  
13          or locality, for the purchase or installation of any  
14          storm water management measure.”.

15          (b) CONFORMING AMENDMENTS.—

16                 (1) DEFINITION OF WATER CONSERVATION  
17                 MEASURE AND STORM WATER MANAGEMENT MEAS-  
18                 URE.—Section 136(c) of the Internal Revenue Code  
19                 of 1986 is amended—

20                         (A) by striking “ENERGY CONSERVATION  
21                         MEASURE” in the heading thereof and inserting  
22                         “DEFINITIONS”,

23                         (B) by striking “IN GENERAL” in the  
24                         heading of paragraph (1) and inserting “EN-  
25                         ERGY CONSERVATION MEASURE”, and

1                   (C) by redesignating paragraph (2) as  
2                   paragraph (4) and by inserting after paragraph  
3                   (1) the following:

4                   “(2) WATER CONSERVATION MEASURE.—For  
5                   purposes of this section, the term ‘water conserva-  
6                   tion measure’ means any installation or modification  
7                   primarily designed to reduce consumption of water  
8                   or to improve the management of water demand  
9                   with respect to a dwelling unit.

10                   “(3) STORM WATER MANAGEMENT MEASURE.—  
11                   For purposes of this section, the term ‘storm water  
12                   management measure’ means any installation or  
13                   modification of property primarily designed to re-  
14                   duce or manage amounts of storm water with re-  
15                   spect to a dwelling unit.”.

16                   (2) DEFINITION OF PUBLIC UTILITY.—Section  
17                   136(e)(4) of such Code (as redesignated by para-  
18                   graph (1)(C)) is amended by striking subparagraph  
19                   (B) and inserting the following::

20                   “(B) PUBLIC UTILITY.—The term ‘public  
21                   utility’ means a person engaged in the sale of  
22                   electricity, natural gas, or water to residential,  
23                   commercial, or industrial customers for use by  
24                   such customers.

1           “(C) STORM WATER MANAGEMENT PRO-  
2           VIDER.—The term ‘storm water management  
3           provider’ means a person engaged in the provi-  
4           sion of storm water management measures to  
5           the public.

6           “(D) PERSON.—For purposes of subpara-  
7           graphs (B) and (C), the term ‘person’ includes  
8           the Federal Government, a State or local gov-  
9           ernment or any political subdivision thereof, or  
10          any instrumentality of any of the foregoing.”.

11          (3) CLERICAL AMENDMENTS.—

12           (A) The heading of section 136 of such  
13          Code is amended—

14                   (i) by inserting “**AND WATER**” after  
15                   “**ENERGY**”, and

16                   (ii) by striking “**PROVIDED BY PUB-  
17                   LIC UTILITIES**”.

18           (B) The item relating to section 136 in the  
19          table of sections of part III of subchapter B of  
20          chapter 1 of such Code is amended—

21                   (i) by inserting “and water” after  
22                   “energy”, and

23                   (ii) by striking “provided by public  
24                   utilities”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts received after January  
3 1, 2015.

4           (d) NO INFERENCE.—Nothing in this Act or the  
5 amendments made by this Act shall be construed to create  
6 any inference with respect to the proper tax treatment of  
7 any subsidy received directly or indirectly from a public  
8 utility, a storm water management provider, or a State  
9 or local government for any water conservation measure  
10 or storm water management measure before January 1,  
11 2015.