

111TH CONGRESS  
1ST SESSION

# H. R. 1908

To amend the Internal Revenue Code of 1986 to provide a credit for property certified by the Environmental Protection Agency under the WaterSense program.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2009

Mr. COFFMAN of Colorado (for himself, Mr. KIND, Mr. BISHOP of Utah, Mr. LAMBORN, and Ms. MARKEY of Colorado) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for property certified by the Environmental Protection Agency under the WaterSense program.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Water Accountability  
5 Tax Efficiency Reinvestment Act of 2009” or as the  
6 “WATER Act of 2009”.

7 **SEC. 2. CREDIT FOR WATERSENSE PROGRAM PROPERTY.**

8 (a) IN GENERAL.—Subpart B of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new  
2 section:

3 **“SEC. 30E. WATERSENSE PROGRAM PROPERTY.**

4 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
5 lowed as a credit against the tax imposed by this chapter  
6 for the taxable year an amount equal to 30 percent of the  
7 amounts paid or incurred by the taxpayer during such tax-  
8 able year for certified WaterSense program property.

9 “(b) LIFETIME LIMITATION.—The aggregate amount  
10 of the credits allowed under this section with respect to  
11 any taxpayer for any taxable year shall not exceed the ex-  
12 cess (if any) of \$1,500 over the aggregate credits allowed  
13 under this section with respect to such taxpayer for all  
14 prior taxable years.

15 “(c) CERTIFIED WATERSENSE PROGRAM PROP-  
16 erty.—For purposes of this section, the term ‘certified  
17 WaterSense program property’ means any property—

18 “(1) certified by the Environmental Protection  
19 Agency as meeting the requirements of the  
20 WaterSense program, and

21 “(2) the original use of which commences with  
22 the taxpayer.

23 “(d) APPLICATION WITH OTHER CREDITS.—

24 “(1) BUSINESS CREDIT TREATED AS PART OF  
25 GENERAL BUSINESS CREDIT.—So much of the credit

1 which would be allowed under subsection (a) for any  
2 taxable year (determined without regard to this sub-  
3 section) that is attributable to property of a char-  
4 acter subject to an allowance for depreciation shall  
5 be treated as a credit listed in section 38(b) for such  
6 taxable year (and not allowed under subsection (a)).

7 “(2) PERSONAL CREDIT.—

8 “(A) IN GENERAL.—For purposes of this  
9 title, the credit allowed under subsection (a) for  
10 any taxable year (determined after application  
11 of paragraph (1)) shall be treated as a credit  
12 allowable under subpart A for such taxable  
13 year.

14 “(B) LIMITATION BASED ON AMOUNT OF  
15 TAX.—In the case of a taxable year to which  
16 section 26(a)(2) does not apply, the credit al-  
17 lowed under subsection (a) for any taxable year  
18 (determined after application of paragraph (1))  
19 shall not exceed the excess of—

20 “(i) the sum of the regular tax liabil-  
21 ity (as defined in section 26(b)) plus the  
22 tax imposed by section 55, over

23 “(ii) the sum of the credits allowable  
24 under subpart A (other than this section

1                   and sections 23, 25D, 30, and 30D) and  
2                   section 27 for the taxable year.

3           “(e) SPECIAL RULES.—For purposes of this sec-  
4 tion—

5                   “(1) AGGREGATION RULES.—All persons treat-  
6           ed as a single employer under subsection (a) or (b)  
7           of section 52, or subsection (m) or (o) of section  
8           414, shall be treated as a one person.

9                   “(2) BASIS REDUCTION.—For purposes of this  
10           subtitle, the basis of any property for which a credit  
11           is allowable under subsection (a) shall be reduced by  
12           the amount of such credit so allowed (determined  
13           without regard to subsection (d)).

14                   “(3) NO DOUBLE BENEFIT.—The amount of  
15           any deduction or other credit allowable under this  
16           chapter with respect to any property for which credit  
17           is allowable under subsection (a) shall be reduced by  
18           the amount of credit allowed under subsection (a)  
19           with respect to such property (determined without  
20           regard to subsection (d)).

21                   “(4) PROPERTY USED OUTSIDE UNITED STATES  
22           NOT QUALIFIED.—No credit shall be allowable under  
23           subsection (a) with respect to any property referred  
24           to in section 50(b)(1).

1 “(f) TERMINATION.—This section shall not apply to  
2 any property placed in service after December 31, 2010.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1)(A) Section 24(b)(3)(B) of such Code is  
5 amended by striking “and 30D” and inserting  
6 “30D, and 30E”.

7 (B) Section 25(e)(1)(C)(ii) of such Code is  
8 amended by inserting “30E,” after “30D,”.

9 (C) Section 25B(g)(2) of such Code is amended  
10 by striking “and 30D” and inserting “30D, and  
11 30E”.

12 (D) Section 26(a)(1) of such Code is amended  
13 by striking “and 30D” and inserting “30D, and  
14 30E”.

15 (E) Section 904(i) of such Code is amended by  
16 striking “and 30D” and inserting “30D, and 30E”.

17 (F) Section 1400C(d)(2) of such Code is  
18 amended by striking “and 30D” and inserting  
19 “30D, and 30E”.

20 (2) Section 1016(a) of such Code is amended  
21 by striking “and” at the end of paragraph (36), by  
22 striking the period at the end of paragraph (37) and  
23 inserting “, and”, and by adding at the end the fol-  
24 lowing new paragraph:

1           “(37) to the extend provided in section  
2           30E(e)(2).”.

3           (3) The table of sections for subpart B of part  
4           IV of subchapter A of chapter 1 of such Code is  
5           amended by adding at the end the following new  
6           item:

“Sec. 30E. WaterSense program property.”.

7           (c) EFFECTIVE DATE.—The amendments made by  
8           this section shall apply to property placed in service after  
9           the date of the enactment of this Act.

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