

111TH CONGRESS
1ST SESSION

S. 1321

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

IN THE SENATE OF THE UNITED STATES

JUNE 23, 2009

Mr. UDALL of Colorado (for himself and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for property labeled under the Environmental Protection Agency 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 LABELED 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 LABELED 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 labeled 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 LABELED PROP-
16 erty.—For purposes of this section, the term ‘certified
17 WaterSense labeled property’ means any property—

18 “(1) which is certified by a licensed independent
19 third party as meeting specifications of the Environ-
20 mental Protection Agency 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 the Internal Rev-
5 enue Code of 1986 is amended by striking “and
6 30D” and inserting “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 “(38) to the extent 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 labeled 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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