

113TH CONGRESS
2D SESSION

H. R. 4114

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2014

Mr. MCNERNEY (for himself and Mr. GARAMENDI) introduced the following bill; which was referred to the Committee on Ways and Means

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 Efficiency Im-
5 provement Act of 2014”.

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

7 (a) IN GENERAL.—Subpart B of part IV of sub-
8 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 \$2,000 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 plumbing fix-
18 ture or plumbing fixture fitting—

19 “(1) which has been—

20 “(A) tested by an American National
21 Standards Institute accredited third-party certi-
22 fying body or laboratory in accordance with the
23 Environmental Protection Agency’s WaterSense
24 program (or an analogous successor program),

1 “(B) certified by such body or laboratory
2 as meeting the performance and efficiency re-
3 quirements of such program, and

4 “(C) authorized by such program to use its
5 label, and

6 “(2) the original use of which commences with
7 the taxpayer.

8 “(d) APPLICATION WITH OTHER CREDITS.—

9 “(1) BUSINESS CREDIT TREATED AS PART OF
10 GENERAL BUSINESS CREDIT.—So much of the credit
11 which would be allowed under subsection (a) for any
12 taxable year (determined without regard to this sub-
13 section) that is attributable to property of a char-
14 acter subject to an allowance for depreciation shall
15 be treated as a credit listed in section 38(b) for such
16 taxable year (and not allowed under subsection (a)).

17 “(2) PERSONAL CREDIT.—For purposes of this
18 title, the credit allowed under subsection (a) for any
19 taxable year (determined after application of para-
20 graph (1)) shall be treated as a credit allowable
21 under subpart A for such taxable year.

22 “(e) SPECIAL RULES.—For purposes of this sec-
23 tion—

24 “(1) AGGREGATION RULES.—All persons treat-
25 ed as a single employer under subsection (a) or (b)

1 of section 52, or subsection (m) or (o) of section
2 414, shall be treated as one person.

3 “(2) BASIS REDUCTION.—For purposes of this
4 subtitle, the basis of any property for which a credit
5 is allowable under subsection (a) shall be reduced by
6 the amount of such credit so allowed (determined
7 without regard to subsection (d)).

8 “(3) NO DOUBLE BENEFIT.—The amount of
9 any deduction or other credit allowable under this
10 chapter with respect to any property for which credit
11 is allowable under subsection (a) shall be reduced by
12 the amount of credit allowed under subsection (a)
13 with respect to such property (determined without
14 regard to subsection (d)).

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

19 “(f) TERMINATION.—This section shall not apply to
20 any property placed in service after December 31, 2015.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 1016(a) of such Code is amended
23 by striking “and” at the end of paragraph (36), by
24 striking the period at the end of paragraph (37) and

1 inserting “, and”, and by adding at the end the fol-
2 lowing new paragraph:

3 “(38) to the extent provided in section
4 30E(e)(2).”.

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

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

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

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