

117TH CONGRESS  
2D SESSION

# H. R. 9194

To amend the Internal Revenue Code of 1986 to impose an excise tax on water use during droughts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 2022

Mr. GALLEGO (for himself and Mr. GRIJALVA) 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 impose an excise tax on water use during droughts, and for other purposes.

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 “Domestic Water Pro-  
5 tection Act of 2022”.

6 **SEC. 2. EXCISE TAX ON GROWTH OF CERTAIN WATER-IN-**  
7 **TENSIVE CROPS.**

8 (a) IN GENERAL.—Subchapter D of chapter 32 of the  
9 Internal Revenue Code of 1986 is amended by inserting  
10 after part I the following new part:

1                   **“PART II—WATER-INTENSIVE CROPS**

“Sec. 4171. Imposition of tax.

“Sec. 4172. Definitions.

“Sec. 4173. Special rules.

2                   **“SEC. 4171. IMPOSITION OF TAX.**

3                   “(a) IN GENERAL.—There is hereby imposed a tax  
4 on the sale of any specified water intensive crop by the  
5 manufacturer, producer, or importer thereof a tax of 300  
6 percent of the price for which so sold.

7                   “(b) PERSONS LIABLE FOR TAX.—The manufac-  
8 turer, producer, or importer referred to in subsection (a)  
9 shall be liable for the tax imposed by such subsection.

10                  “(c) REGULATIONS.—The Secretary shall promulgate  
11 regulations for application of this section in a manner con-  
12 sistent with international trade agreements.

13                  **“SEC. 4172. DEFINITIONS.**

14                  “(a) WATER-INTENSIVE CROP.—For purposes of this  
15 part—

16                         “(1) IN GENERAL.—The term ‘water-intensive  
17 crop’ means a crop grown—

18                                 “(A) in an area experiencing prolonged  
19 drought at the time such crop is grown, and

20                                 “(B) by a manufacturer, producer, or im-  
21 porter which is a foreign corporation or foreign  
22 government.

23                  “(b) AREA EXPERIENCING PROLONGED  
24 DROUGHT.—The term ‘area experiencing prolonged

1 drought’ means an area which has been identified by the  
2 United States Drought Monitor as experiencing severe, ex-  
3 treme, or exceptional drought lasting more than 6 months.

4 **“SEC. 4173. SPECIAL RULES.**

5        “In the case of any water-intensive crop which is  
6 manufactured or produced by including one or more other  
7 water-intensive crops, no tax shall be imposed under this  
8 section on any water-intensive crop contained in the re-  
9 sulting specified water-intensive crop if tax was previously  
10 imposed under this section on such water-intensive crop  
11 when contained in the water-intensive crop so included.”.

12       (b) CONFORMING AMENDMENTS.—

13           (1) Section 4221(a) is amended by adding at  
14 the end the following: “Paragraphs (1), (4), (5), and  
15 (6) shall not apply to the tax imposed under section  
16 4171.”.

17           (2) The table of parts for subchapter D of  
18 chapter 32 of such Code is amended by inserting  
19 after the item relating to part I the following new  
20 item:

21 “Part II. Water-intensive crops.”.

22       (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to sales after the date of the enact-  
24 ment of this Act.

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