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Dimmi Feinstein

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.

AMENDMENT N^o 3254

By Feinstein _____

To: AMND No 2953 _____

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Page(s)

GPO: 2014 91-623 (mac)

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_____ and
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FEINSTEIN

to the amendment (No. 2593) proposed by Ms. MURKOWSKI

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 serting “any subsidy—
- 8 “(1) provided”,
- 9 (2) by striking the period at the end and insert-
- 10 ing “, or”, and

1 (3) by adding at the end the following new
2 paragraph:

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

8 (b) CONFORMING AMENDMENTS.—

9 (1) DEFINITION OF WATER CONSERVATION
10 MEASURE AND STORM WATER MANAGEMENT MEAS-
11 URE.—Section 136(c) of the Internal Revenue Code
12 of 1986 is amended—

13 (A) by striking “ENERGY CONSERVATION
14 MEASURE” in the heading thereof and inserting
15 “DEFINITIONS”,

16 (B) by striking “IN GENERAL” in the
17 heading of paragraph (1) and inserting “EN-
18 ERGY CONSERVATION MEASURE”, and

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

22 “(2) WATER CONSERVATION MEASURE.—For
23 purposes of this section, the term ‘water conserva-
24 tion measure’ means any installation or modification
25 primarily designed to reduce consumption of water

1 or to improve the management of water demand
2 with respect to a dwelling unit.

3 “(3) STORM WATER MANAGEMENT MEASURE.—
4 For purposes of this section, the term ‘storm water
5 management measure’ means any installation or
6 modification of property primarily designed to man-
7 age amounts of storm water with respect to a dwell-
8 ing unit.”.

9 (2) DEFINITION OF PUBLIC UTILITY.—Sub-
10 paragraph (B) of section 136(c)(4) of such Code (as
11 redesignated by paragraph (1)(C)) is amended by
12 striking “or natural gas” and inserting “, natural
13 gas, or water or the provision of storm water man-
14 agement”.

15 (3) CLERICAL AMENDMENTS.—

16 (A) The heading of section 136 of such
17 Code is amended—

18 (i) by inserting “**AND WATER**” after
19 “**ENERGY**”, and

20 (ii) by striking “**PROVIDED BY PUB-**
21 **LIC UTILITIES**”.

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

1 (i) by inserting “and water” after
2 “energy”, and

3 (ii) by striking “provided by public
4 utilities”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to amounts received after January
7 1, 2015.