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°: 3254
By: Feinstein
To: Amer No 2953

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 insert-

7 ing “any subsidy—

8 “(1) provided”,

9 (2) by striking the period at the end and insert-

10 ing “, or”, and
(3) by adding at the end the following new paragraph:

"(2) provided (directly or indirectly) by a public utility to a customer, or by a State or local government to a resident of such State or locality, for the purchase or installation of any water conservation measure or storm water management measure."

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION OF WATER CONSERVATION MEASURE AND STORM WATER MANAGEMENT MEASURE.—Section 136(c) of the Internal Revenue Code of 1986 is amended—

(A) by striking "ENERGY CONSERVATION MEASURE" in the heading thereof and inserting "DEFINITIONS",

(B) by striking "IN GENERAL" in the heading of paragraph (1) and inserting "ENERGY CONSERVATION MEASURE", and

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

"(2) WATER CONSERVATION MEASURE.—For purposes of this section, the term 'water conservation measure' means any installation or modification primarily designed to reduce consumption of water
or to improve the management of water demand
with respect to a dwelling unit.

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

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

(3) CLERICAL AMENDMENTS.—
(A) The heading of section 136 of such
Code is amended—

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

(ii) by striking “PROVIDED BY PUB-

LIC UTILITIES”.

(B) The item relating to section 136 in the
table of sections of part III of subchapter B of
chapter 1 of such Code is amended—
(i) by inserting “and water” after “energy”, and
(ii) by striking “provided by public utilities”.

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