



**A RESOLUTION OF THE AMWUA BOARD OF DIRECTORS
REGARDING WATER CONSERVATION AND STORMWATER MANAGEMENT REBATE TAX PARITY**

WHEREAS, the Arizona Municipal Water Users Association (AMWUA), a non-profit association of the municipalities of Avondale, Chandler, Gilbert, Glendale, Goodyear, Mesa, Peoria, Phoenix, Scottsdale, and Tempe, works to protect its members' ability to provide assured, safe, and sustainable water supplies to their communities;

WHEREAS, members of AMWUA offer rebates to individuals who install fixtures, appliances, technologies, and physical improvements that increase water use efficiency, lessen water demand, and reduce stormwater runoff from private property in order to encourage the adoption of such measures;

WHEREAS, Arizona, the Colorado River Basin, and much of the United States are experiencing increasing stress on water supplies due to drought, climate variability, and other factors;

WHEREAS, conservation and stormwater management measures help to ensure the reliability and sustainability of water supplies, which are critical to the well-being of our communities and economies;

WHEREAS, water conservation and stormwater rebates are not specifically excluded from income under the U.S. Internal Revenue Code and are therefore taxable income to the recipient;

WHEREAS, in 1992, Congress declared similar rebates for energy conservation exempt from taxable income;

WHEREAS, water utilities must issue notice of miscellaneous income (Form 1099) to their customers who receive rebates in excess of \$600 a year;

WHEREAS, such rebates are not income, but defray upfront costs as an incentive to spur private investment in improvements to increase efficiency, reduce demand, and improve stormwater management;

WHEREAS, taxing conservation and stormwater rebates is a disincentive to the millions of Americans who may invest in water conservation and stormwater management;

NOW, THEREFORE, BE IT RESOLVED THAT THE AMWUA BOARD OF DIRECTORS:

Request Congress pursue revisions to the Internal Revenue Code to exempt water conservation and stormwater management rebates from taxation, the same treatment currently afforded for energy efficiency and conservation measures under the tax code.

Request Congress review the U.S. Treasury Department's proposal to add exemptions for water conservation and stormwater management measures to the tax code as outlined in its 2016 recommendations to Congress as well as the Congressional Joint Tax Committee's determination that the impact on the federal budget would be "negligible."

Recommend other water-related organizations consider supporting amendments to the Internal Revenue Code to make consumer rebates for water conservation and stormwater management exempt from taxation as income, creating tax parity between the water and energy programs.

Passed and adopted this twenty-sixth day of May 2016.

Councilwoman Thelda Williams, Phoenix
President, AMWUA Board of Directors