At the end of title I, add the following:

SEC. ___. ESTABLISHMENT AND FUNDING OF WATER INFRASTRUCTURE INVESTMENT TRUST FUND.

(a) SHORT TITLE.—This section may be cited as the “Water Infrastructure Trust Fund Act of 2016”.

(b) WATER INFRASTRUCTURE INVESTMENT TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to establishment of trust funds) is amended by adding at the end the following new section:

“SEC. 9512. WATER INFRASTRUCTURE INVESTMENT TRUST FUND.

“(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the ‘Water Infrastructure Investment Trust Fund’, consisting of such amounts as may be appropriated or credited to such fund as provided in this section or section 9602(b).
“(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Water Infrastructure Investment Trust Fund amounts equivalent to the fees received in the Treasury before January 1, 2022, under subsection (c) of the Water Infrastructure Trust Fund Act of 2016.

“(c) EXPENDITURES.—Except as provided by subsection (d), amounts in the Water Infrastructure Investment Trust Fund shall be available, without further appropriation, as follows:

“(1) 50 percent of the amounts shall be available to the Administrator of the Environmental Protection Agency for making capitalization grants under section 601 of the Federal Water Pollution Control Act (33 U.S.C. 1377).

“(2) 50 percent of the amounts shall be available to the Administrator for making capitalization grants under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12).

“(d) LIMITATION ON EXPENDITURES.—Amounts in the Water Infrastructure Investment Trust Fund may not be made available for a fiscal year unless the funds appropriated to the Clean Water State Revolving Fund through annual capitalization grants is not less than the average of the annual amounts provided in capitalization grants under section 601 of the Federal Water Pollution Control Act.
Act (33 U.S.C. 1381) for the 5-fiscal-year period imme-
diately preceding such fiscal year.”.

(2) Clerical Amendment.—The table of sec-
tions for subchapter A of chapter 98 of such Code
is amended by adding at the end the following new
item:

“Sec. 9512. Water Infrastructure Investment Trust Fund.”.

(c) Voluntary Labeling System.—

(1) In General.—The Secretary of the Treas-
ury, in consultation with the Administrator of the
Food and Drug Administration, manufacturers, pro-
ducers, and importers, shall develop and implement
a program under which the Secretary provides a
label designed in consultation with manufacturers,
producers, and importers suitable for placement on
products to inform consumers that the manufac-
turer, producer, or importer of the product, and
other stakeholders, participates in the Water Infra-
structure Investment Trust Fund and is contrib-
uting to America’s clean water.

(2) Fee.—The Secretary shall provide a label
for a fee of three cents per unit. Amounts received
by the Secretary shall be deposited in the general
fund of the Treasury.
(d) **Effective Date.**—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(e) **EPA Study on Water Pricing.**—

(1) **Study.**—The Administrator of the Environmental Protection Agency, with participation by the States, shall conduct a study to—

(A) assess the affordability gap faced by low-income populations located in urban and rural areas in obtaining services from clean water and drinking water systems; and

(B) analyze options for programs to provide incentives for rate adjustments at the local level to achieve “full cost” or “true value” pricing for such services, while protecting low-income ratepayers from undue burden.

(2) **Report.**—Not later than 180 days after the date of enactment of this Act, the Administrator shall transmit to the Committee on Transportation and Infrastructure and the Committee on Energy and Commerce of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the results of the study.