

**AMENDMENT TO RULES COMMITTEE PRINT 116-**

**60**

**OFFERED BY MR. GREEN OF TEXAS**

Page 1165 after line 16, insert the following:

1 **DIVISION F—CREDIT AGAINST**  
2 **TAX FOR REVERSE OSMOSIS**  
3 **WATER FILTRATION SYSTEMS**  
4 **AND TESTING**

5 **SEC. 1. CREDIT AGAINST TAX FOR REVERSE OSMOSIS**  
6 **WATER FILTRATION SYSTEMS AND TESTING.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by inserting after section 36B the fol-  
10 lowing new section:

11 **“SEC. 36C. REVERSE OSMOSIS WATER FILTRATION SYS-**  
12 **TEMS.**

13 “(a) IN GENERAL.—In the case of an applicable tax-  
14 payer, there shall be allowed as a credit against the tax  
15 imposed by this subtitle for the taxable year an amount  
16 equal to the water filtration system credit amount of the  
17 taxpayer for the taxable year.

18 “(b) APPLICABLE TAXPAYER.—The term ‘applicable  
19 taxpayer’ means a taxpayer who—

1           “(1) is serviced by a water utility that, during  
2           testing for the 2013-2015 Safe Drinking Water Act  
3           assessment under the Unregulated Contaminant  
4           Monitoring Rule for Public Water Systems, was de-  
5           termined to have levels of hexavalent chromium that  
6           exceeded the minimum reporting level of .03 parts  
7           per billion, or

8           “(2) both—

9                   “(A) draws water from a system or private  
10                  well not reported in the testing described in  
11                  paragraph (1), and

12                   “(B) obtains testing conducted by a cer-  
13                  tified laboratory that shows such water contains  
14                  hexavalent chromium levels above .02 parts per  
15                  billion.

16           “(c) WATER FILTRATION SYSTEM CREDIT  
17           AMOUNT.—The term ‘water filtration system credit  
18           amount’ means the sum of—

19                   “(1) so much of the purchase price of a reverse  
20                  osmosis water filtration system certified by an ac-  
21                  credited third party certification body to NSF/ANSI  
22                  58 for the reduction of hexavalent chromium as does  
23                  not exceed \$164, plus

24                   “(2) so much of the price of hexavalent chro-  
25                  mium testing from a certified laboratory as does not

1 exceed \$164 (but only if such testing was not al-  
2 ready conducted by a water utility that serves the  
3 taxpayer).

4 “(d) CERTIFIED LABORATORY.—The term ‘certified  
5 laboratory’ means a laboratory that is certified by a State  
6 or locality to perform hexavalent chromium water testing.

7 “(e) MARRIED COUPLES MUST FILE JOINTLY.—

8 “(1) IN GENERAL.—If the taxpayer is married  
9 at the close of the taxable year, the credit shall be  
10 allowed under subsection (a) only if the taxpayer  
11 and the taxpayer’s spouse file a joint return for the  
12 taxable year.

13 “(2) EXCEPTION.—For purposes of clause (i),  
14 rules similar to the rules of paragraphs (4) and (5)  
15 of section 25(e) (relating to marital status and cer-  
16 tain married individuals living apart, respectively)  
17 shall apply.

18 “(f) CREDIT ALLOWED ONLY ONCE PER HOUSE-  
19 HOLD.—In the case of any dwelling which is jointly occu-  
20 pied and used during any calendar year as a residence by  
21 two or more individuals, the credit allowed under sub-  
22 section (a) may only be claimed once per taxable year with  
23 respect to such dwelling.

24 “(g) LIMITATION BASED ON ADJUSTED GROSS IN-  
25 COME.—The amount of the credit allowable under sub-

1 section (a) shall be reduced (but not below zero) by \$10  
2 for each \$1,000 by which the taxpayer's adjusted gross  
3 income exceeds \$85,526 (twice such amount in case of a  
4 joint return).

5 “(h) ADJUSTMENT FOR INFLATION.—In the case of  
6 any taxable year beginning after December 31, 2020, the  
7 dollar amount computed in subsections (e) and (g) shall  
8 be increased by an amount equal to—

9 “(1) such dollar amount, multiplied by

10 “(2) the cost-of-living adjustment determined  
11 under section 1(f)(3) for the calendar year in which  
12 the taxable year begins, determined by substituting  
13 ‘calendar year 2019’ for ‘calendar year 2016’ in sub-  
14 paragraph (A)(ii) thereof.

15 “(i) REGULATIONS.—The Secretary, in consultation  
16 with the Secretary of the Environmental Protection Agen-  
17 cy and such water utilities and outside experts as appro-  
18 priate, may prescribe such regulations and other guidance  
19 as may be necessary or appropriate to carry out this sec-  
20 tion, including—

21 “(1) guidance with respect to certified labora-  
22 tories and the type of documents required to verify  
23 authenticity of a water test, and

24 “(2) guidance with respect to the process for  
25 verification of water quality testing.

1       “(j) TERMINATION.—This credit shall terminate on  
2 the date that is two years after the Secretary has deter-  
3 mined that the Environmental Protection Agency has set  
4 a national primary drinking water regulation for  
5 hexavalent chromium.”.

6       (b) CLERICAL AMENDMENT.—The table of sections  
7 for subpart C of part IV of subchapter A of chapter 1  
8 of the Internal Revenue Code of 1986 is amended by in-  
9 serting after the item relating to section 36B the following  
10 new item:

“Sec. 36C. Credit Against Tax for Reverse Osmosis Water Filtration Sys-  
tems.”.

11       (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply with respect to taxable years begin-  
13 ning after December 31, 2019.

