



April 5, 2016

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The Honorable Jared Huffman
1630 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Huffman:

On behalf of the California State Association of Counties (CSAC), I am pleased to endorse the *Water Conservation Rebate Tax Parity Act* (HR 4615). The legislation, which would ensure that rebates for water-saving measures are not treated as taxable income, represents a small yet important part of the type of comprehensive approach that is needed to effectively manage our state's historic drought.

As you know, water utilities in our state and in other drought-stricken areas of the country are increasingly offering incentives to property owners who undertake water efficiency and green infrastructure improvements. In California, there are numerous local programs that offer rebates for various water efficiency and stormwater runoff management improvements (i.e. landscaping, irrigation, stormwater retention measures, installation of energy and water efficient appliances, etc.). Without the financial incentive of the rebate, many of the water-saving measures would be too expensive for property owners to install. Unfortunately, the Internal Revenue Service has failed to offer clear guidance regarding whether these rebates are considered taxable income, meaning responsible homeowners are being penalized for making prudent water protection investments.

The current drought in California and throughout the western United States serves to further illuminate why upfront investments in water saving strategies and technologies are desperately needed. Your legislation would help to incentivize measures that ultimately protect what is one of our most precious and increasingly threatened natural resources.

Again, CSAC is pleased to support the *Water Conservation Rebate Tax Parity Act*. Should you have any questions or if you need any additional information, please contact Joe Krahn, CSAC Federal Representative, Waterman and Associates at (202) 898-1444.

Sincerely,

A handwritten signature in blue ink that reads "Matt Cate". The signature is written in a cursive, flowing style.

Matt Cate
CSAC Executive Director

cc: Congressman Dana Rohrabacher