

2 **ESHB 1832** - S AMD 345
3 By Senator Brown

4 NOT ADOPTED 04/17/01

5 On page 24, beginning on line 1, strike all of section 26 and
6 insert the following:

7 "NEW SECTION. **Sec. 26.** A new section is added to chapter
8 82.16 RCW to read as follows:

9 (1) The legislature intends to provide an incentive for water
10 distribution businesses to help reduce their customers' use of water
11 through measures such as: Water conservation and outreach programs,
12 distributing shower flow restrictors, toilet tank water displacement
13 devices, and leak detection dye tablets; providing water-efficient
14 fixtures at no cost, giving a rebate for customer-purchased fixtures,
15 or arranging for suppliers to provide fixtures at a reduced price;
16 providing plants for low-water demand landscaping, moisture sensors,
17 flow timers, low-volume sprinklers, and drip irrigation systems; and
18 using conservation pricing and billings that show percentage
19 increase/decrease in water use over the same period from the previous
20 year.

21 (2) There is allowed a credit against the tax imposed under RCW
22 82.16.020 equal to two and five-tenths percent of those amounts
23 expended to improve consumers' efficiency of water use or to otherwise
24 reduce the use of water by the consumer when the expenditures are
25 implementing elements of the conservation plan within a state approved
26 water system plan or a small water system management program.

27 (3) There is allowed a credit against the tax imposed under RCW
28 82.16.020 equal to two and five-tenths percent of the amounts received
29 for water services supplied by an entity that holds a permit under RCW
30 90.46.030 when the water supplied is reclaimed water as defined in RCW
31 90.46.010.

32 (4) No credit may be taken under subsections (1) or (2) of this
33 section unless the credit is first approved by the department.
34 Application for tax credits under subsections (1) and (2) of this
35 section may only be made in the form and manner prescribed by the
36 department. The department shall keep a running total of all credits

1 authorized under subsections (1) and (2) of this section during each
2 fiscal year. The department shall not allow any credits which would
3 cause the total to exceed two hundred fifty thousand dollars in any
4 fiscal year. Credits allowed under this subsection may be carried over
5 until used.

6 (5) No credits may be authorized under this section after June 30,
7 2003."

EFFECT: Provides a public utility tax credit equal to 2.5 percent of amounts expended to improve consumers' efficiency of water use and 2.5 percent of revenues from water services using reclaimed water. The credit is the equivalent to a deduction of 50 percent of those amounts. Total tax credits per fiscal year are limited to \$250,000.

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