



Congress can support **sustainable business development and robust local economies** by **establishing an investment tax credit to help industrial and commercial water users adopt water recycling technologies and systems**—investments that recognize the need for sustainable water consumption and support job creation in the U.S.

As climate change accelerates, and its associated adverse impacts on water resources increase, it is vitally important that the nation invest in water recycling to build resilience, manage energy demands, support public and environmental health, and ensure economic prosperity.

While nearly 70 percent of the planet is covered by water, only two and a half percent is freshwater, and only one percent is accessible. Industrial water use in the US is second only to agribusiness in terms of water usage, and current industrial water reuse offsets only a fraction of this. Fortunately, the US government is well-positioned to encourage water recycling projects with targeted investment via tax credits.

### **Why Industrial and Commercial Water Reuse:**

- Industrial and commercial water recycling is an effective and efficient process to meet specific quality standards for an intended end use. This water can originate in the same facility that captures, treats, and reuses it, which is known as onsite reuse; or, it can be supplied through a public-private partnership by which



municipalities provide treated recycled water.

- Water recycling provides a stable, locally generated and controlled water source to help combat frequent, severe and prolonged droughts, wildfire, and other climate-related risks.
- Industrial and commercial water reuse supports sustainable economic prosperity, advanced clean manufacturing, and well-paying high-skill employment opportunities.
- Industrial facilities adopt water reuse for a variety of business reasons. These include water security and reliability, cost savings that come from fit-for-purpose treatment, environmental compliance needs, and social responsibility.

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We urge Congress to create an investment tax credit of up to 30 percent of the project value when purchasing, designing, and installing systems that increase industrial or commercial water recycling. These tax credits should be structured on a sliding scale, reflecting the size and impact of improvements.

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