

H.R. 2940, The Advancing Water Reuse Act

The Advancing Water Reuse Act (“the Act”) provides a federal tax incentive to invest in water reuse projects, a critical component of public health and economic development.

The nation’s aging water infrastructure is simply inadequate to meet growing public and private demands for freshwater. The solution, however, is costly and will require a public-private partnership – hence this tax incentive. An increasingly important way to supplement freshwater supplies is water reuse – the process of intentionally capturing wastewater, stormwater, saltwater or graywater and cleaning it as needed for a designated beneficial freshwater purpose such as industrial processes or groundwater replenishment.

Expanding investment in water reuse in communities across the country will ensure that residents have safe drinking water supplies, industries have access to clean water necessary to expand and create new jobs, and our economic future remains strong and secure.

Key provisions of the Advancing Water Reuse Act:

- Provides a 30 percent tax credit for water reuse projects.
- Covers projects that:
 - Install, replace, or modify an onsite water recycling system within an industrial, manufacturing, data center, or food processing facility;
 - Replaces the use of freshwater, such as groundwater, with recycled water from a municipal water provider for the production of goods or provision of services; or
 - Builds or expands a municipal water recycling system for the purpose of securing recycled water for the production of goods or provision of services. (In such cases, the taxpayer and the utility would enter into an agreement under which the taxpayer would be treated as eligible to claim the tax credit in lieu of the utility.)