

Environmental Financial Advisory Board Water Reuse Tax Incentive Workgroup

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EPA WATER REUSE PROGRAM

*Advancing reuse for a water
secure future*

Key objectives:

1. Integrate water reuse into EPA Programs
2. Coordinate the Federal Interagency Working Group for Water Reuse
3. Lead the implementation of the National Water Reuse Action Plan (WRAP)

CONSOLIDATED APPROPRIATIONS ACT, 2023

Given widescale deployment of private water reuse infrastructure at industrial facilities can be expensive for public utilities and local governments, the Committee directs the Agency, in coordination with the Water Reuse Interagency Working Group, to undertake a study on the public benefit of a potential federal investment tax credit to support private investment in water reuse and recycling systems.

WHAT DOES THIS MEAN?

- Our interpretation is that such a tax incentive would be focused on encouraging investment in **equipment at a privately owned industrial facility**
- For example, a manufacturing facility could receive a tax credit to purchase equipment to:
 - Treat and reuse process water within a facility for use in other processes OR
 - Use municipally provided recycled water for different processes.

DEFINITIONS

Onsite Water Reuse

- **Industrial process water**: The onsite capture, treatment, and use of water generated through industrial processes such as boiler water, cooling water, and manufacturing water for additional industrial processes.
- **Other water sources**: The onsite capture, treatment, and use of water generated through greywater, blackwater, air conditioning condensate, stormwater, and foundation water at commercial buildings. Includes the required treatment and distribution infrastructure at a facility.

Centralized Water Reuse: The use of recycled municipal wastewater provided by a centralized utility for different industrial processes. Includes any privately-owned infrastructure for any needed treatment and distribution at an industrial or private facility.