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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R.

To amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for certain wastewater management subsidies.

IN THE HOUSE OF REPRESENTATIVES

Mr. SUOZZI introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for certain wastewater management subsidies.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Septic Exclusion for
5 Property owners through Tax-free Infrastructure Com-
6 pensation Act” or the “SEPTIC Act”.

1 **SEC. 2. MODIFICATIONS TO INCOME EXCLUSION FOR CER-**
2 **TAIN WASTEWATER MANAGEMENT SUB-**
3 **SIDIES.**

4 (a) **IN GENERAL.**—Section 136(a) of the Internal
5 Revenue Code of 1986 is amended—

6 (1) by striking “any subsidy provided” and in-
7 serting “any subsidy—

8 “(1) provided”,

9 (2) by striking the period at the end and insert-
10 ing “, or”, and

11 (3) by adding at the end the following new
12 paragraph:

13 “(2) provided (directly or indirectly) by a State
14 or local government to a resident of such State or
15 locality for the purchase or installation of any waste-
16 water management measure, but only if such meas-
17 ure is with respect to the taxpayer’s residence.”.

18 (b) **DEFINITION OF WASTEWATER MANAGEMENT**
19 **MEASURE.**—Section 136(c) of such Code is amended—

20 (1) by striking “**ENERGY CONSERVATION**
21 **MEASURE**” in the heading thereof and inserting
22 “**DEFINITIONS**”,

23 (2) by striking “**IN GENERAL**” in the heading of
24 paragraph (1) and inserting “**ENERGY CONSERVA-**
25 **TION MEASURE**”, and

1 (3) by redesignating paragraph (2) as para-
2 graph (3) and by inserting after paragraph (1) the
3 following:

4 “(2) WASTEWATER MANAGEMENT MEASURE.—
5 For purposes of this section, the term ‘wastewater
6 management measure’ means any installation or
7 modification of property primarily designed to man-
8 age wastewater (including septic tanks and cess-
9 pools) with respect to one or more dwelling units.”.

10 (c) CLERICAL AMENDMENTS.—

11 (1) The heading for section 136 of such Code
12 is amended—

13 (A) by inserting “**AND WASTEWATER**”
14 after “**ENERGY**”, and

15 (B) by striking “**PROVIDED BY PUBLIC**
16 **UTILITIES**”.

17 (2) The item relating to section 136 in the table
18 of sections of part III of subchapter B of chapter 1
19 of such Code is amended—

20 (A) by inserting “and wastewater” after
21 “energy”, and

22 (B) by striking “provided by public utili-
23 ties”.

24 (d) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to amounts received after the date

1 of the enactment of this Act. in taxable years ending after
2 such date.