

117TH CONGRESS
2D SESSION

H. R. 9194

To amend the Internal Revenue Code of 1986 to impose an excise tax
on water use during droughts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 2022

Mr. GALLEGO (for himself and Mr. GRIJALVA) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to impose
an excise tax on water use during droughts, and for
other purposes.

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 “Domestic Water Pro-
5 tection Act of 2022”.

6 **SEC. 2. EXCISE TAX ON GROWTH OF CERTAIN WATER-IN-**
7 **TENSIVE CROPS.**

8 (a) IN GENERAL.—Subchapter D of chapter 32 of the
9 Internal Revenue Code of 1986 is amended by inserting
10 after part I the following new part:

1 **“PART II—WATER-INTENSIVE CROPS**

“Sec. 4171. Imposition of tax.

“Sec. 4172. Definitions.

“Sec. 4173. Special rules.

2 **“SEC. 4171. IMPOSITION OF TAX.**

3 “(a) IN GENERAL.—There is hereby imposed a tax
4 on the sale of any specified water intensive crop by the
5 manufacturer, producer, or importer thereof a tax of 300
6 percent of the price for which so sold.

7 “(b) PERSONS LIABLE FOR TAX.—The manufac-
8 turer, producer, or importer referred to in subsection (a)
9 shall be liable for the tax imposed by such subsection.

10 “(c) REGULATIONS.—The Secretary shall promulgate
11 regulations for application of this section in a manner con-
12 sistent with international trade agreements.

13 **“SEC. 4172. DEFINITIONS.**

14 “(a) WATER-INTENSIVE CROP.—For purposes of this
15 part—

16 “(1) IN GENERAL.—The term ‘water-intensive
17 crop’ means a crop grown—

18 “(A) in an area experiencing prolonged
19 drought at the time such crop is grown, and

20 “(B) by a manufacturer, producer, or im-
21 porter which is a foreign corporation or foreign
22 government.

23 “(b) AREA EXPERIENCING PROLONGED
24 DROUGHT.—The term ‘area experiencing prolonged

1 drought’ means an area which has been identified by the
 2 United States Drought Monitor as experiencing severe, ex-
 3 treme, or exceptional drought lasting more than 6 months.

4 **“SEC. 4173. SPECIAL RULES.**

5 “In the case of any water-intensive crop which is
 6 manufactured or produced by including one or more other
 7 water-intensive crops, no tax shall be imposed under this
 8 section on any water-intensive crop contained in the re-
 9 sulting specified water-intensive crop if tax was previously
 10 imposed under this section on such water-intensive crop
 11 when contained in the water-intensive crop so included.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 4221(a) is amended by adding at
 14 the end the following: “Paragraphs (1), (4), (5), and
 15 (6) shall not apply to the tax imposed under section
 16 4171.”.

17 (2) The table of parts for subchapter D of
 18 chapter 32 of such Code is amended by inserting
 19 after the item relating to part I the following new
 20 item:

21 “Part II. Water-intensive crops.”.

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to sales after the date of the enact-
 24 ment of this Act.

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