

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2255

To amend the Federal Water Pollution Control Act to reauthorize and modify the State water pollution control revolving loan program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 25, 1993

Mr. MINETA introduced the following bill; which was referred jointly to the Committees on Public Works and Transportation and Ways and Means

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## A BILL

To amend the Federal Water Pollution Control Act to reauthorize and modify the State water pollution control revolving loan program, 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 “Polluter Pays Clean  
5 Water Funding Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) We are in the midst of a clean water crisis.

9 Across the Nation, water and sewer bills are sky-

1       rocketing as the costs of municipal sewage treatment  
2       plants and other clean water programs soar. These  
3       escalating costs have a disproportionate effect on the  
4       poor and on families in small and economically de-  
5       pressed communities.

6               (2) There is no relief in sight. The most recent  
7       report by the Environmental Protection Agency esti-  
8       mates at least \$155,000,000,000 will be needed over  
9       the next 20 years just to meet current Federal  
10      Water Pollution Control Act requirements.

11             (3) The whole story is even more sobering. If  
12      the full costs of Federal Water Pollution Control Act  
13      implementation are considered, including combined  
14      sewer overflows, storm water control, polluted runoff  
15      control, and implementation of national estuary pro-  
16      grams, then the total cost of Federal Water Pollu-  
17      tion Control Act implementation will greatly exceed  
18      \$200,000,000,000 over the next 20 years.

19             (4) We are not now doing enough. In light of  
20      these overwhelming needs, the current Federal in-  
21      vestment of \$2,000,000,000 in State assistance is  
22      grossly inadequate to meet the Federal Water Pollu-  
23      tion Control Act's fundamental objective of eliminat-  
24      ing discharges and achieving water quality which

1 provides for the protection and propagation of fish,  
2 shellfish, and wildlife.

3 (5) We need to get serious about clean water.  
4 In order to ensure adequate investment in clean  
5 water infrastructure, an annual investment of  
6 \$6,000,000,000 is required.

7 (6) The taxpayer should contribute a fair share.  
8 The Federal Government should continue to main-  
9 tain its \$2,000,000,000 in annual support.

10 (7) The polluter should bear the biggest bur-  
11 den. In order to support the dual objective of deficit  
12 reduction and pollution control and prevention,  
13 \$4,000,000,000 should be derived from appropriate  
14 taxes on activities and products which are known to  
15 contribute to water pollution.

16 (8) The mechanism for funding clean water  
17 programs should be user friendly. The existing State  
18 revolving loan program should remain to be the prin-  
19 cipal means of financing Federal Water Pollution  
20 Control Act implementation at the State level, but  
21 the program should be amended to broaden project  
22 eligibility, provide for grant-type assistance to small  
23 and hardship communities, and help ensure provi-  
24 sion of water and sewer services to all Americans at  
25 affordable rates.

1 **TITLE I—STATE WATER POLLU-**  
2 **TION CONTROL REVOLVING**  
3 **FUNDS**

4 **SEC. 101. REQUIREMENTS FOR TREATMENT WORKS.**

5 (a) APPLICABILITY.—Section 602(b)(6) of the Fed-  
6 eral Water Pollution Control Act (33 U.S.C. 1382(b)(6))  
7 is amended by striking each of the following:

- 8 (1) “201(b), 201(g)(1), 201(g)(2), 201(g)(3),”;  
9 (2) “201(g)(6), 201(n)(1),”;  
10 (3) “204(a)(1), 204(a)(2),”;  
11 (4) “211,”.

12 (b) INCREASE IN VALUE ENGINEERING THRESH-  
13 OLD.—Section 218(c) of such Act (33 U.S.C. 1298(c)) is  
14 amended by striking “\$10,000,000” and inserting  
15 “\$25,000,000”.

16 **SEC. 102. PROJECTS ELIGIBLE FOR ASSISTANCE.**

17 (a) IN GENERAL.—Section 603(c) of the Federal  
18 Water Pollution Control Act (33 U.S.C. 1383(c)) is  
19 amended to read as follows:

20 “(c) PROJECTS ELIGIBLE FOR ASSISTANCE.—

21 “(1) DESCRIPTIONS.—The amounts of funds  
22 available to each State water pollution control re-  
23 volving fund shall be used only for providing finan-  
24 cial assistance to municipal, intermunicipal, inter-  
25 state, and State agencies and to other persons, as

1 appropriate, to carry out 1 or more of the following  
2 projects:

3 “(A) Construction of publicly owned treat-  
4 ment works (as defined in section 212).

5 “(B) Implementation of a management  
6 program approved under section 319.

7 “(C) Watershed planning and manage-  
8 ment.

9 “(D) Public water conservation and reuse.

10 “(E) Low income water and sewer assur-  
11 ance programs which meet the requirements of  
12 section 608.

13 “(F) Acquisition of lands, easements, and  
14 rights-of-way directly related to any other  
15 project described in this paragraph.”.

16 “(2) AVAILABILITY OF FUND BALANCE.—Each  
17 State water pollution control revolving fund shall be  
18 established, maintained, and credited with repay-  
19 ments and the fund balance shall be available in per-  
20 petuity for providing financial assistance under this  
21 title.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) GENERAL AUTHORITY.—Section 601(a) of  
24 such Act (33 U.S.C. 1381(a)) is amended by strik-  
25 ing “for providing assistance” and all that follows

1 before the period and inserting “for providing assist-  
2 ance for projects described in section 603(c)”.

3 (2) INTENDED USE PLAN.—Section 606(c)(1)  
4 of such Act (33 U.S.C. 1386(c)(1)) is amended by  
5 inserting “and other activities eligible for financial  
6 assistance under this title” before the semicolon.

7 **SEC. 103. MAXIMUM TERM OF LOANS.**

8 (a) IN GENERAL.—Section 603(d)(1) of the Federal  
9 Water Pollution Control Act (33 U.S.C. 1383(d)(1)) is  
10 amended—

11 (1) in subparagraph (A) by striking “20 years”  
12 and inserting “the expected life of the facility or  
13 project being financed with the proceeds of the  
14 loan”; and

15 (2) in subparagraph (B) by striking “not later  
16 than 20 years after project completion” and insert-  
17 ing “upon the expiration of the term of the loan”.

18 (b) APPLICABILITY.—The amendments made by sub-  
19 section (a) shall not apply to loans made before the date  
20 of the enactment of this Act.

21 **SEC. 104. ADMINISTRATIVE COSTS.**

22 (a) AMOUNT.—Section 603(d)(7) of the Federal  
23 Water Pollution Control Act (33 U.S.C. 1383(d)(7)) is  
24 amended by striking “except that” and all that follows be-  
25 fore the period and inserting “except that in a fiscal year

1 such amount shall not exceed 5 percent of the total  
2 amount deposited into such fund in such fiscal year”.

3 (b) TECHNICAL ASSISTANCE.—Section 603 of such  
4 Act (33 U.S.C. 1383) is amended by adding at the end  
5 the following new subsection:

6 “(i) USE OF ADMINISTRATIVE FUNDS FOR PROVID-  
7 ING TECHNICAL ASSISTANCE.—Not less than  $\frac{1}{5}$  of any  
8 amount used by a State in a fiscal year under subsection  
9 (d)(7) for administering its water pollution control revolv-  
10 ing fund shall be allocated for providing technical assist-  
11 ance to communities to identify appropriate technology for  
12 water quality protection and mechanisms for financing  
13 water quality protection projects.”.

14 **SEC. 105. AUTHORITY TO MAKE GRANTS.**

15 (a) IN GENERAL.—Section 603(d) of the Federal  
16 Water Pollution Control Act (33 U.S.C. 1383(d)) is  
17 amended—

18 (1) by striking “and” at the end of paragraph

19 (6);

20 (2) by striking the period at the end of para-  
21 graph (7) and inserting “; and”; and

22 (3) by adding at the end the following:

23 “(8) to make grants in such amounts and sub-  
24 ject to such terms as provided by subsection (j).”.

1 (b) LIMITATIONS.—Section 603 of such Act (33  
2 U.S.C. 1383) is amended by adding at the end the follow-  
3 ing new subsection:

4 “(j) GRANT AUTHORITY.—

5 “(1) TERMS AND CONDITIONS.—The authority  
6 of a State under subsection (d)(8) to provide finan-  
7 cial assistance from its water pollution control re-  
8 volving fund in the form of grants shall be subject  
9 to the following terms and conditions:

10 “(A) LIMITATION ON AMOUNT.—In a fiscal  
11 year, such financial assistance will not exceed  
12 whichever of the following amounts is greater:

13 “(i) 25 percent of the funds received  
14 by the State in capitalization grants under  
15 this title in such fiscal year.

16 “(ii) 100 percent of any increase in  
17 the amount of funds received by the State  
18 in capitalization grants under this title in  
19 such fiscal year from the amount of funds  
20 so received in fiscal year 1992.

21 “(B) ELIGIBLE PROJECTS.—Such financial  
22 assistance will be provided only for the follow-  
23 ing types of projects:

24 “(i) PROJECTS IN SMALL COMMU-  
25 NITIES.—A project described in subsection

1 (c)(1) to be carried out in a political sub-  
2 division with a population of 5,000 individ-  
3 uals or less.

4 “(ii) PROJECTS IN HARDSHIP COMMU-  
5 NITIES.—A project described in subsection  
6 (c)(1) to be carried out in a political sub-  
7 division for which the State certifies that—

8 “(I) in the preceding calendar  
9 year, the average combined residential  
10 water and sewer bill equaled or ex-  
11 ceeded 2 percent of the median family  
12 income; or

13 “(II) in the preceding calendar  
14 year, the average residential sewer bill  
15 equaled or exceeded 1 percent of the  
16 median family income.

17 “(iii) PROJECTS TO CONTROL  
18 NONPOINT POLLUTION.—A project de-  
19 scribed in subparagraph (B) of subsection  
20 (c)(1) for control of nonpoint sources of  
21 pollution.

22 “(iv) PROJECTS FOR LOW INCOME  
23 WATER AND SEWER ASSURANCE.—A  
24 project to establish and implement a low  
25 income water and sewer assurance pro-

1                   gram which meets the requirements of sec-  
2                   tion 608 and which is to be carried out in  
3                   a political subdivision described in clause  
4                   (i) or (ii).

5                   “(2) POLITICAL SUBDIVISION DEFINED.—For  
6                   the purposes of this subsection, the term ‘political  
7                   subdivision’ shall include Indian tribes.”.

8   **SEC. 106. CONTROL OF NONPOINT SOURCE POLLUTION.**

9                   Section 603 of the Federal Water Pollution Control  
10                  Act (33 U.S.C. 1383) is further amended by adding at  
11                  the end the following new subsection:

12                 “(k) MINIMUM PERCENTAGE TO BE USED FOR  
13                  NONPOINT SOURCE CONTROL.—Not less than 15 percent  
14                  of the amount of each capitalization grant received by a  
15                  State under this title shall be used by the State for  
16                  projects to control nonpoint sources of pollution which af-  
17                  fect surface water or groundwater. Such projects shall in-  
18                  clude projects described in subparagraph (B) of subsection  
19                  (c)(1).”.

20   **SEC. 107. ALLOTMENT OF FUNDS.**

21                  FORMULAS.—Section 604(a) of the Federal Water  
22                  Pollution Control Act (33 U.S.C. 1384(a)) is amended to  
23                  read as follows:

24                 “(a) FORMULAS.—

1           “(1) EXISTING FORMULA.—Except as provided  
2 by paragraph (2) and subsection (d), sums appro-  
3 priated to carry out this title in a fiscal year shall  
4 be allotted by the Administrator in accordance with  
5 section 205(c).

6           “(2) NEW FORMULA.—

7           “(A) ESTABLISHMENT.—Not later than 1  
8 year after the date of the enactment of this  
9 paragraph, and after providing adequate notice  
10 and opportunity for public comment, the Ad-  
11 ministrator shall develop and publish a formula  
12 for the allocation of amounts appropriated to  
13 carry out this title after the date of publication  
14 of such formula. Such formula shall be based  
15 on State populations (as determined using the  
16 most recent population estimates prepared by  
17 the Secretary of Commerce) and information  
18 contained in the most recent biennial needs sur-  
19 vey conducted by the Administrator. The Ad-  
20 ministrator shall revise such formula at least  
21 once every 5 years.

22           “(B) ALLOTMENT UNDER NEW FOR-  
23 MULA.—Subject to subsection (d), funds appro-  
24 priated to carry out this section for a fiscal year  
25 beginning after the date of publication of a for-

1           mula under subparagraph (A) shall be allotted  
2           by the Administrator in accordance with such  
3           formula.”.

4 **SEC. 108. LOW INCOME WATER AND SEWER ASSURANCE**  
5                                   **PROGRAM.**

6           (a) ELIGIBILITY REQUIREMENT.—Section 602(b) of  
7 the Federal Water Pollution Control Act (33 U.S.C.  
8 1382(b)) is amended—

9                   (1) by striking “and” at the end of paragraph  
10           (9);

11                   (2) by striking the period at the end of para-  
12           graph (10) and inserting “; and”; and

13                   (3) by adding at the end the following:

14                   “(11) with respect to any area which has an av-  
15           erage annual combined total of residential household  
16           water and sewer bills which is greater than 4 per-  
17           cent of 75 percent of the Federal poverty level for  
18           a household of 4 (as determined from the most re-  
19           cent Federal Poverty Guidelines published by the  
20           Department of Health and Human Services), the  
21           State will require as a condition of providing assist-  
22           ance from the fund for a project to construct a pub-  
23           licly owned treatment works, as described in section  
24           603(c)(1)(A), that the recipient of such assistance  
25           certify, in writing, that there will be in effect for

1 such area within 2 years after the date of approval  
2 of such assistance a low income water and sewer as-  
3 surance program which meets the requirements of  
4 section 608.”.

5 (b) IN GENERAL.—Title VI of such Act (33 U.S.C.  
6 1381–1387) is amended by adding at the end the follow-  
7 ing:

8 **“SEC. 608. LOW INCOME WATER AND SEWER ASSURANCE**  
9 **PROGRAM.**

10 “(a) IN GENERAL.—Not later than 1 year after the  
11 date of the enactment of this Act, the Administrator shall  
12 issue regulations to establish minimum standards for low  
13 income water and sewer assurance programs eligible for  
14 assistance under this Act. Such programs shall be de-  
15 signed to best meet the needs and conditions of the area  
16 served by the recipient of assistance under this title. Such  
17 regulations shall, at a minimum, ensure that—

18 “(1) water and sewer will be available on an af-  
19 fordable basis to all households being served by the  
20 recipient of assistance under this title having a  
21 household income at or below 150 percent of the  
22 Federal poverty level in the area (as determined  
23 from the most recent Federal Poverty Guidelines  
24 published by the Department of Health and Human  
25 Services);

1           “(2) benefits under the program will be made  
2 available to tenants of residential units who pay for  
3 water and sewer services as part of their rent;

4           “(3) the presumptive measure of affordable  
5 combined water and sewer rates on a monthly basis  
6 is that such rates do not exceed 4 percent of the  
7 gross monthly income for a household; and

8           “(4) benefits under the program may be re-  
9 duced by any assistance provided to pay utilities  
10 under any other Federal or State program.

11          “(b) TREATMENT OF BENEFITS.—Notwithstanding  
12 any other provision of law, the amount of any low income  
13 water and sewer assurance program benefits provided pur-  
14 suant to this Act directly to, or for the benefit of, a house-  
15 hold shall not be treated as income to such household for  
16 purposes of any Federal law.”.

17          (c) EFFECTIVE DATE.—The amendment made by  
18 subsection (a) of this section shall take effect on the first  
19 day of the first fiscal year which begins after the last day  
20 of the 1-year period beginning on the date of the enact-  
21 ment of this Act.

22 **SEC. 109. AUTHORIZATION OF APPROPRIATIONS.**

23          Section 607 of the Federal Water Pollution Control  
24 Act (33 U.S.C. 1387) is amended to read as follows:

1 **“SEC. 607. FUNDING CLEAN WATER NEEDS.**

2       “(a) FROM THE GENERAL FUND.—There is author-  
3 ized to be appropriated to carry out the purposes of this  
4 title \$2,000,000,000 per fiscal year for each of fiscal years  
5 1994 through 2000.

6       “(b) FROM THE CLEAN WATER TRUST FUND.—For  
7 each fiscal year after fiscal year 1995, \$4,000,000,000  
8 shall be transferred from the Clean Water Trust Fund,  
9 without further appropriation, to carry out the purposes  
10 of this title.”.

11 **TITLE II—EXCISE TAXES ON SUB-**  
12 **STANCES CONTRIBUTING TO**  
13 **WATER POLLUTION, ETC.**

14 **SEC. 201. EXCISE TAXES ON SUBSTANCES CONTRIBUTING**  
15 **TO WATER POLLUTION.**

16       (a) IN GENERAL.—Chapter 38 of the Internal Reve-  
17 nue Code of 1986 (relating to environmental taxes) is  
18 amended by adding at the end thereof the following new  
19 subchapters:

20 **“Subchapter E—Discharges of Chemical**  
21 **Pollutants**

“Sec. 4691. Imposition of tax.

“Sec. 4692. Definitions and special rules.

1 **“SEC. 4691. IMPOSITION OF TAX.**

2 “(a) GENERAL RULE.—There is hereby imposed a  
3 tax on the discharge in the United States (as defined in  
4 section 4612(a)(4)) of any taxable chemical pollutant to—

5 “(1) water, or

6 “(2) any publicly owned treatment works (as  
7 defined in section 212 of the Federal Water Pollu-  
8 tion Control Act).

9 “(b) RATE OF TAX.—The amount of the tax imposed  
10 by subsection (a) on each pound of any taxable chemical  
11 pollutant shall be the amount determined in accordance  
12 with the following table:

<b>In the case of:</b>	<b>The tax per pound is:</b>
Group 1 pollutants .....	0.6 cents
Group 2 pollutants .....	24.2 cents
Group 3 pollutants .....	\$ 2.26
Group 4 pollutants .....	\$28.33
Group 5 pollutants .....	\$63.39.

13 “(c) LIABILITY FOR TAX.—The person discharging  
14 any taxable chemical pollutant shall pay the tax imposed  
15 by subsection (a) on such pollutant.

16 “(d) EXCEPTIONS.—The tax imposed by subsection  
17 (a) shall not apply to any discharge of any taxable chemi-  
18 cal pollutant used exclusively for—

19 “(1) any residential use,

20 “(2) any use on a farm for farming purposes  
21 (determined under rules similar to the rules of sec-  
22 tion 6420(c)), or

1           “(3) any use by United States, any State or po-  
2           litical subdivision thereof, the District of Columbia,  
3           any possession of the United States, or by any agen-  
4           cy or instrumentality of any of the foregoing.

5           “(e) INFLATION ADJUSTMENT OF RATES.—

6           “(1) IN GENERAL.—Effective during any cal-  
7           endar year after 1994, each dollar amount contained  
8           in subsection (b) shall be increased by an amount  
9           equal to—

10                   “(A) such dollar amount, multiplied by

11                   “(B) the inflation adjustment for such cal-  
12           endar year.

13           “(2) INFLATION ADJUSTMENT.—For purposes  
14           of paragraph (1), the inflation adjustment for any  
15           calendar year is the sum of—

16                   “(A) 3 percentage points, plus

17                   “(B) the percentage (if any) by which—

18                           “(i) the GDP deflator for the preced-  
19                   ing calendar year, exceeds

20                           “(ii) the GDP deflator for 1993.

21           “(3) GDP DEFLATOR FOR CALENDAR YEAR.—

22           For purposes of paragraph (2), the GDP deflator for  
23           any calendar year is the GDP deflator for the sec-  
24           ond calendar quarter of such year.

1           “(4) GDP DEFLATOR.—For purposes of para-  
 2           graph (3), the term ‘GDP deflator’ means the most  
 3           recent revision of the implicit price deflator for the  
 4           gross domestic product as computed and published  
 5           by the Department of Commerce before November  
 6           15 of the calendar year referred to in paragraph  
 7           (2)(B)(i).

8   **“SEC. 4692. DEFINITIONS AND SPECIAL RULES.**

9           “(a) TAXABLE CHEMICAL POLLUTANTS.—

10           “(1) IN GENERAL.—For purposes of this sub-  
 11           chapter, the term ‘taxable chemical pollutant’ means  
 12           any substance which, at the time of its discharge, is  
 13           listed in paragraph (2) as being included in any  
 14           group of pollutants.

15           “(2) GROUPS OF POLLUTANTS.—For purposes  
 16           of this paragraph (1), the groups of pollutants are  
 17           as follows:

**Group 1 Pollutants**

Oil and grease  
 BOD-5  
 TSS  
 Diethyl phthalate  
 Dichloropropane, 1,2  
 Chlorobenzene  
 Chloroethyl vinyl ether, 2  
 Dichloroethane, 1,1

**Group 2 Pollutants**

Vinyl chloride  
 Ethylbenzene  
 Dichloroethane, 1,2  
 Nitrophenol, 2  
 Dimethyl phthalate  
 Antimony  
 Dimethylphenol, 2,4

Dinitrotoluene, 2,6  
 Dichlorobenzene, 1,3  
 Phenol  
 Toluene  
 Naphthalene  
 Dichlorobenzene, 1,8-  
 Dinitrotoluene, 2,6-  
 1,1 dichloroethylene  
 Chlorophenol, 2-  
 Bis-2 chloroisopropyl ether  
 Isophorone

### **Group 3 Pollutants**

2,4-D (Acetic acid (2,4 Dichlorophenoxy-acetic acid))  
 Nitrobenzene  
 Bis(2-chloro-1-methyl-ethyl)ether  
 Nitrophenol, 4  
 Trichloroethane, 1,1,2  
 Vinylidene chloride  
 Butyl benzyl phthalate  
 Chloromethane (Methyl chloride)  
 Dichloromethane  
 Bromoform (Tribromomethane)  
 Chloroform  
 Zinc  
 Tetrachlorethane, 1,1,2,2  
 Dinitrotoluene, 2,4  
 Acetaldehyde  
 Acetone  
 Acetonitrile  
 Acrylamide  
 Acrylic acid  
 Allyl Chloride  
 Aluminum  
 Ammonia  
 Ammonium nitrate  
 Ammonium sulfate  
 Aniline  
 Anisidine, o  
 Barium  
 Benzoyl chloride  
 Benzoyl peroxide  
 Benzyl chloride  
 Biphenyl (Diphenyl)  
 Bis(2-ethylhexyl)-adipate  
 Butadiene, 1,3  
 Butyl acrylate  
 Butyl alcohol, n  
 Butyl alcohol, sec  
 Butyl alcohol, tert  
 Butylene oxide, 1,2  
 Butyraldehyde  
 Carbaryl  
 Carbon Disulfide  
 Catechol (1,2-Dihydroxybenzene)

Chlorinated fluorocarbons  
Chlorine  
Chlorine dioxide  
Chloroacetic acid  
Chloroprene  
Chlorothalonil  
Cobalt  
Cresidine, p  
Cresol, m  
Cresol, o  
Cresol, p  
Cresol (mixed isomers)  
Cumene  
Cumene hydroperoxide  
Cupferron  
Cyclohexane  
C.I. basic green 4  
C.I. disperse yellow 3  
Decabromodiphenyl oxide  
Diaminodiphenyl-ether, 4,4  
Diaminotoluene, 2,4  
Diaminotoluene (mixed isomers)  
Dibenzofuran  
Dibromoethane, 1,2  
Dichlorobenzene (mixed isomers)  
Diethanolamine  
Dimethyl sulfate  
Dioxane, 1,4  
Epichlorohydrin  
Ethoxyethanol, 2  
Ethyl acrylate  
Ethylene glycol  
Ethylene oxide  
Formaldehyde  
Freon 113  
Hydrazine  
Hydrochloric acid  
Hydrogen cyanide  
Hydrogen fluoride  
Hydroquinone  
Isobutyraldehyde  
Isopropyl alcohol  
Isopropylidenedi-phenol, 4,4  
Maleic anhydride  
Manganese  
Methanol  
Methoxyethanol, 2  
Methyl acrylate  
Methyl hydrazine  
Methyl iodide  
Methyl methacrylate  
Methyl tertbutyl ether  
Molybdenum trioxide  
Naphthylamine, alpha  
Nitric acid

Nitrilotriacetic acid  
Nitroglycerin  
Nitropropane, 2  
Peracetic acid  
Phenylenediamine, P  
Phenylphenol, 2  
Phosgene  
Phosphoric acid  
Phosphorous (yellow or white)  
Phthalic anhydride  
Picric acid (2,4,6-trinitro-phenol)  
Propionaldehyde  
Propylene oxide  
Propylene (propene)  
Pyridine  
Quinoline  
Styrene  
Sulfuric acid  
Terephthalic acid  
Thiourea  
Toluene 2,4-diisocyanate  
Toluidine, o  
Trichlorofon  
Trimethylbenzene, 1,2,4  
Urethane (Ethyl carbamate)  
Vanadium  
Vinyl acetate  
Xylene, m  
Xylene, o  
Xylene, p  
Xylidine, 2,6  
Hexachloroethane  
Trichlorobenzene, 1,2,4  
Dichlorophenol, 2,4  
Carbon tetrachloride  
Trichloroethane, 1,1,1 (Methyl chloroform)  
Trichloroethylene  
Nitrosodiphenylamine-N  
Dichlorobenzene, 1,4-  
Chloroethane  
Acetamide  
Anisidine, P  
Asbestos  
Benzamide  
Carbonyl sulfide  
Chlorophenols  
C.I. solvent yellow  
Diaminoanisole, 2,4  
Diaminoanisole sulfate, 2,4  
Dichloroethylene, 1,2  
Dichlorvos  
Diethyl sulfate  
Dimethoxybenzidine, 3,3  
Dimethyl hydrazine, 1,1  
Ethylene

Ethylene thiourea  
 Fluometuron  
 Glycol ethers  
 Methylene bromide  
 Methylenabis (phenylisocyanate)  
 Nitro-o-anisidine, 5  
 Parathion  
 Propyleneimine (2-methyl aziridine)  
 Quinone  
 Styrene oxide  
 Thorium dioxide  
 Toluene 2,6-diisocyanate  
 Vinyl bromide  
 Bromomethane  
 Chlorodibromomethane  
 Nitrosodi-n-propylamine-n  
 Dichlorobromomethane  
 Bis-2 chloroethoxy methane  
 Chloro-3-methylphenol, 4-  
 Chlorophenylphenyl ether, 4-  
 Dinitro-2-methylphenol, 4,6  
 Nitrosodimethylamine N

#### **Group 4 Pollutants**

Di-n-butyl phthalate  
 Dinitrophenol, 2,4  
 Maneb  
 Bis(2-chloroethyl)-ether  
 Copper  
 Hexachloro 1,3-butadiene  
 Acrylonitrile  
 Benzene  
 Chromium  
 Dichlorobenzene, 1,2  
 Dimethylaniline, n,n  
 Methyl ethyl ketone  
 Methyl isobutyl ketone  
 Methylenedianiline, 4,4  
 Nickel  
 Tetrachloroethylene, 1,1,2,2  
 Xylene (mixed isomers)  
 Acrolein  
 Dicofol  
 Thallium  
 Chloroform  
 Acrylonitrile  
 Acenaphthene  
 Acenaphthylene  
 Chloronaphthalene, 2-  
 Chrysene  
 Dichloroethylene  
 Fluorene  
 Fluoranthene  
 Hexachlorocyclohexane delta  
 Ideno (1,2,3-cd) pyrene

Di-N-butyl phthalate  
 Pyrene  
 2,3,7,8-TCDF  
 Alkylated lead  
 Danitol  
 EBDC fungicides  
 Kelthane  
 Kepone  
 Mirex  
 N-nitroso-di-n-butylamine  
 Octachlorostyrene  
 Pentachlorobenzene  
 Perylene  
 PCDD/Fs  
 Soy products  
 Styrene dimers and trimers  
 Synthetic pyrethroids  
 Technical-grade BHC (hexachlorocyclohexane)  
 Tetrachlorobenzene, 1,2,3,5-  
 Trazine herbicides  
 Tributyltin

#### **Group 5 Pollutants**

Hexachlorocyclopentadiene  
 Selenium  
 Dichloropropylene, 1,3  
 Tetrachlorvinphos  
 Dinitro-o-cresol, 4,6  
 Lead  
 Dioctyl phthalate, n  
 Trichlorophenol, 2,4,6  
 Di(2-ethylhexyl) phthalate  
 Trifluralin  
 Cadmium  
 Beryllium  
 Dichlorobenzidine, 3,3  
 Arsenic  
 Silver  
 Methoxychlor  
 Mercury  
 Hexachlorobenzene  
 Chlordane  
 Heptachlor  
 Polychlorinated biphenyls  
 Anthracene  
 Pentachlorophenol  
 Lindane  
 Aldrin  
 Benzidine  
 Diphenylhydrazine, 1,2-  
 Hexachlorocyclopentadiene  
 1,2 benzanthracene  
 Benzo(a)pyrene  
 8,4 benzofluoranthene  
 Benzo(k)fluoranthene

Cyanide  
 DDT  
 DDE  
 DDD  
 Dibenzo(a,h)anthracene  
 Dieldrin  
 Dioxin  
 Endosulfan alpha  
 Endosulfan beta  
 Endrin  
 Endrin aldehyde  
 Heptachlor epoxide  
 Hexachlorocyclohexane alpha  
 Hexachlorocyclohexane beta  
 Phenanthrene  
 Bis (2 ethyl hexyl) phthalate  
 Toxaphene  
 Ethylene dibromide  
 EPN (ethyl-p-nitrophenylphenylphosphorothioate)  
 Hexachlorophene  
 Captan  
 Propoxur  
 Quintozene (pentachloronitrobenzene)

1 “(b) SPECIAL RULES.—

2 “(1) FRACTIONAL PARTS OF A POUND.—In the  
 3 case of a fraction of a pound, the tax imposed by  
 4 this subchapter shall be the same fraction of the  
 5 amount of such tax imposed on a whole pound.

6 “(2) DISPOSITIONS OF REVENUES FROM PUER-  
 7 TO RICO AND THE VIRGIN ISLANDS.—The provisions  
 8 of subsections (a)(3) and (b)(3) of section 7652  
 9 shall not apply to any tax imposed by this sub-  
 10 chapter.

11 **“Subchapter F—Fertilizer, Pesticides, and**  
 12 **Animal Feed**

“Sec. 4694. Imposition of tax.

“Sec. 4695. Definitions and special rules.

1 **“SEC. 4694. IMPOSITION OF TAX.**

2 “(a) GENERAL RULE.—There is hereby imposed a  
3 tax on any fertilizer, pesticide, or animal feed—

4 “(1) which is manufactured or produced in the  
5 United States or entered into the United States for  
6 consumption use or warehousing, and

7 “(2) which sold or used by the manufacturer,  
8 producer, or importer thereof.

9 “(b) AMOUNT OF TAX.—The amount of the tax im-  
10 posed by subsection (a) is—

11 “(1) in the case of fertilizer, 0.845 cents per  
12 pound of the nitrogen and phosphorous in such  
13 fertilizer,

14 “(2) in the case of pesticide, 24.27 cents per  
15 pound of the active ingredient in such pesticide, and

16 “(3) in the case of processed animal feed, 2.68  
17 cents per ton.

18 **“SEC. 4695. DEFINITIONS AND SPECIAL RULES.**

19 “(a) DEFINITIONS.—For purposes of this sub-  
20 chapter—

21 “(1) PESTICIDE AND ACTIVE INGREDIENT.—  
22 The terms ‘pesticide’ and ‘active ingredient’ have the  
23 meanings given such terms by section 2 of the Fed-  
24 eral Insecticide, Fungicide, and Rodenticide Act.

1           “(2) PROCESSED ANIMAL FEED.—The term  
2           ‘processed animal feed’ means any agricultural or  
3           horticultural commodity—

4                   “(A) which is intended to be consumed by  
5           livestock, birds, fur-bearing animals, fish, or  
6           wildlife, and

7                   “(B) to which some form of processing has  
8           been applied.

9           For purposes of subparagraph (B), the term ‘proc-  
10          essing’ does not include handling, packing, grading,  
11          or storing.

12          “(3) FERTILIZER.—The term ‘fertilizer’ shall  
13          not include manure or sewage sludge.

14          “(b) EXCEPTION FOR EXPORTS.—

15               “(1) IN GENERAL.—The tax imposed by section  
16          4694 shall not apply to any article—

17                   “(A) which is exported from the United  
18          States by the person otherwise liable for such  
19          tax, or

20                   “(B) which is to be sold for export from  
21          the United States by the purchaser or by any  
22          subsequent purchaser.

23          “(2) CREDIT OR REFUND WHERE PRIOR TAX  
24          IMPOSED.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraph (B), if tax was imposed under  
3           section 4694 with respect to any article and  
4           such article is exported by any person, credit or  
5           refund (without interest) of such tax shall be  
6           allowed or made to the person who paid such  
7           tax.

8           “(B) CONDITION OF ALLOWANCE.—No  
9           credit or refund shall be allowed or made under  
10          subparagraph (A) unless the person who paid  
11          the tax establishes that—

12                   “(i) he has repaid or agreed to repay  
13                   the amount of the tax to the person who  
14                   exported the article, or

15                   “(ii) he has obtained the written con-  
16                   sent of such exporter to the allowance of  
17                   the credit or the making of the refund.

18          “(C) REFUNDS DIRECTLY TO EX-  
19          PORTER.—Rules similar to the rules of section  
20          4662(e)(3) shall apply to the tax imposed by  
21          section 4694.

22          “(c) EXCEPTION FOR FURTHER MANUFACTURE.—  
23          Rules similar to the rules of section 4682(d)(2) shall apply  
24          for purposes of this subchapter.

1       “(d) OTHER DEFINITIONS.—For purposes of this  
2 subchapter—

3           “(1) UNITED STATES.—The term ‘United  
4 States’ has the meaning given such term by section  
5 4612(a)(4).

6           “(2) IMPORTER.—The term ‘importer’ means  
7 the person entering the article for consumption, use,  
8 or warehousing.

9           “(3) TON.—The term ‘ton’ means 2,000  
10 pounds.

11       “(e) SPECIAL RULES.—

12           “(1) FRACTIONAL PARTS OF A POUND OR  
13 TON.—In the case of a fraction of a pound or ton,  
14 the tax imposed by this subchapter shall be the same  
15 fraction of the amount of such tax imposed on a  
16 whole pound or ton.

17           “(2) DISPOSITIONS OF REVENUES FROM PUER-  
18 TO RICO AND THE VIRGIN ISLANDS.—The provisions  
19 of subsections (a)(3) and (b)(3) of section 7652  
20 shall not apply to any tax imposed by this sub-  
21 chapter.”

22       “(b) CLERICAL AMENDMENT.—The table of sub-  
23 chapters for chapter 38 of such Code is amended by add-  
24 ing at the end thereof the following new items:

“Subchapter E. Certain chemical pollutants.

“Subchapter F. Fertilizer, pesticides, and animal feed.”

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on January 1, 1994.

3 **SEC. 202. EXCISE TAX ON COMMERCIAL AND INDUSTRIAL**  
4 **WATER USE.**

5 (a) IN GENERAL.—Chapter 36 of the Internal Reve-  
6 nue Code of 1986 (relating to certain other excise taxes)  
7 is amended by inserting after subchapter B the following  
8 new subchapter:

9 **“Subchapter C. Certain Nonresidential Uses**  
10 **of Water**

“Sec. 4476. Imposition of tax.

“Sec. 4477. Definitions and special rules.

11 **“SEC. 4476. IMPOSITION OF TAX.**

12 “(a) IN GENERAL.—There is hereby imposed a tax  
13 of 1.95 cents on each thousand gallons of water sold for  
14 use or used by the ultimate consumer in a taxable use.

15 “(b) LIABILITY FOR TAX.—

16 “(1) IN GENERAL.—The tax imposed by this  
17 section shall be paid by the person using the water  
18 in a taxable use.

19 “(2) COLLECTION OF TAX BY UTILITIES.—In  
20 the case of water which is sold to the person re-  
21 quired to pay the tax imposed by this section by a  
22 water utility, such utility shall collect such tax from  
23 such person and remit it to the Secretary.

1 **“SEC. 4477. DEFINITIONS AND SPECIAL RULES.**

2 “(a) TAXABLE USE.—For purposes of this sub-  
3 chapter—

4 “(1) IN GENERAL.—The term ‘taxable use’  
5 means any use of water in the United States (as de-  
6 fined in section 4612(a)(4)) other than—

7 “(A) any residential use,

8 “(B) any use on a farm for farming pur-  
9 poses (determined under rules similar to the  
10 rules of section 6420(c)),

11 “(C) any use at a hydroelectric generating  
12 facility in the generation of electricity,

13 “(D) any use by United States, any State  
14 or political subdivision thereof, the District of  
15 Columbia, any possession of the United States,  
16 or by any agency or instrumentality of any of  
17 the foregoing.

18 “(b) WATER UTILITY.—For purposes of this sub-  
19 chapter, water shall be treated as sold to any person by  
20 a water utility if such water is sold by—

21 “(1) any governmental unit, or

22 “(2) any person engaged in the trade or busi-  
23 ness of furnishing water if the rates for the furnish-  
24 ing or sale of the water have been established or ap-  
25 proved by a State or political subdivision thereof, by  
26 an agency or instrumentality of the United States,

1 or by a public service or public utility commission or  
2 other similar body of a State or political subdivision.

3 “(c) FRACTIONAL PARTS.—In the case of a fraction  
4 of 1,000 gallons, the tax imposed by this subchapter shall  
5 be the same fraction of the amount of such tax imposed  
6 on 1,000 gallons.

7 “(d) DISPOSITIONS OF REVENUES FROM PUERTO  
8 RICO AND THE VIRGIN ISLANDS.—The provisions of sub-  
9 sections (a)(3) and (b)(3) of section 7652 shall not apply  
10 to any tax imposed by this subchapter.”

11 (b) CLERICAL AMENDMENT.—The table of sub-  
12 chapters for chapter 36 of such Code is amended by in-  
13 serting after the item relating to subchapter B the follow-  
14 ing new item:

“Subchapter C. Certain nonresidential uses of water.”

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall take effect on January 1, 1994.

17 **SEC. 203. CLEAN WATER TRUST FUND.**

18 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
19 Internal Revenue Code of 1986 (relating to trust fund  
20 code) is amended by adding at the end thereof the follow-  
21 ing new section:

22 **“SEC. 9512. CLEAN WATER TRUST FUND.**

23 “(a) CREATION OF TRUST FUND.—There is estab-  
24 lished in the Treasury of the United States a trust fund  
25 to be known as the ‘Clean Water Trust Fund’, consisting

1 of such amounts as may be appropriated or credited to  
2 such Trust Fund as provided in this section or section  
3 9602(b).

4 “(b) TRANSFERS TO TRUST FUND.—

5 “(1) IN GENERAL.—There are hereby appro-  
6 priated to the Clean Water Trust Fund amounts  
7 equivalent to the net revenues received in the Treas-  
8 ury from the taxes imposed by—

9 “(A) section 4476 (relating to certain  
10 nonresidential uses of water),

11 “(B) section 4691 (relating to discharges  
12 of chemical pollutants), and

13 “(C) section 4694 (relating to fertilizer,  
14 pesticides, and animal feed).

15 “(2) NET REVENUES.—For purposes of para-  
16 graph (1), the term ‘net revenues’ means the  
17 amount estimated by the Secretary based on the ex-  
18 cess of—

19 “(A) the taxes received in the Treasury  
20 under sections 4476, 4691, and 4694, over

21 “(B) the decrease in the tax imposed by  
22 chapter 1 resulting from such taxes.

23 “(c) EXPENDITURES FROM TRUST FUND.—Amounts  
24 in the Clean Water Trust Fund shall be available only for

1 purposes of making expenditures to carry out title VI of  
2 the Federal Water Pollution Control Act.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 for such subchapter A is amended by adding at the end  
5 thereof the following new item:

“Sec. 9512. Clean Water Trust Fund.”

○