

New York lawmakers want to eliminate income tax from septic grants.

- By **David Steinkraus**
- [October 2020](#)

<https://www.pumper.com/editorial/2020/10/rules-regulations-october-2020>

New York representative has introduced a bill in Congress to remove the federal tax on grants that help people repair or upgrade their onsite wastewater systems.

Rep. Thomas Suozzi, whose 3rd District covers the northwestern section of Long Island, introduced HR 7280 in mid-June. The bill would allow people to exclude from taxable income any subsidy from a state or local government for “any waste management measure” at their home, say news reports. The bill would also allow people to amend their 2020 tax returns for grants received in 2019.

One Suffolk County resident who talked to a local newspaper says her tax bill would increase by thousands of dollars because she received a \$10,000 county grant and a \$15,000 rebate from her town government, and both were deemed taxable income. More than 1,300 county homeowners have enrolled in the program. Suffolk County occupies the eastern end of Long Island.

To reduce water pollution along its Atlantic Ocean shore, the county for several years has been pursuing an extensive program to replace more than 300,000 cesspools. Onsite system upgrade grants have been part of that, as have ordinances requiring nitrogen-reducing systems.

The opinion on taxation of grants came from the IRS and was issued last year at the request of John Kennedy, county comptroller. He sent out tax forms to people who received the grants, and at the time, he was running for county executive against Steve Bellone, who won reelection and has been a driving force behind the water pollution control program.

Suozzi, a CPA and attorney, sits on the Ways and Means Committee that deals with taxation and the federal budget. Two other New York representatives co-sponsoring his bill are Lee Zeldin and Peter King.