

## Water trust fund faces obstacles, GAO says

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WASHINGTON — Creation of a \$10 billion federal “clean water trust fund” to finance water and wastewater projects would face a number of obstacles, a recent Government Accountability Office (GAO) [report](#) says.

While making no recommendations, the GAO calculated the various ways new taxes could be levied to create such a fund. For example, the report said a 0.01 cents per gallon water use tax (presumably levied on water utility customers) would raise about \$1.3 billion annually.

The GAO, the investigate arm of Congress, estimated that no single taxing method would be sufficient to support a clean water trust fund, and a variety of revenue-raising methods might be needed. In addition to the water use tax, these included, according to the report, taxes on the sale of beverages, flushable products (soaps, detergents, cooking oils, etc.), and water appliances and other items; or an increase in the corporate income tax.

Implementation obstacles would have to be overcome to create the fund, the GAO said. Those include defining products or activities to be taxed, establishing a collection and enforcement framework, and obtaining stakeholder support for a particular option or set of options.

To produce the report, GAO obtained the views of many national drinking water and wastewater industry organizations, state and local governments, engineers and environmental groups. The GAO noted that the US Environmental Protection (EPA) has estimated that over the next 10 years, there will be a \$150 billion to \$400 billion gap between future needs and current spending for water/wastewater infrastructure.