

179D

ENERGY-EFFICIENT COMMERCIAL BUILDING DEDUCTION

Get “green” for building green. Make sure you are taking advantage of every incentive coming your way.

If you are a commercial building owner who has made any eco-friendly improvements to your building, you may be eligible for a major reduction in your tax liability.

Both Congress and recent administrations have placed significant emphasis on green initiatives. As commercial buildings are responsible for 70% of national energy usage, creating “greener” and more energy-efficient buildings is a good place to start.

In response to the nation’s energy consumption issues, Congress passed the Energy Policy Act of 2005, creating a federal incentive to reward the design and installation of energy-efficient **interior lighting, HVAC, hot water or building envelope** systems in commercial and government-owned buildings. Through this incentive found in section 179D of the Internal Revenue Code, qualifying businesses can receive up to \$1.80 per square foot in deductions for eligible projects placed into service any time from 2006 to 2016 – a potential financial boon for business owners depending on the size and scope of their projects.

For more information, please contact:

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alliantgroup's mission is one of education and awareness—we exist to help industry organizations, U.S. businesses and the CPA firms that advise them, take full advantage of all federal and state tax credits, incentives and deductions available to them. Our government has legislated these powerful incentive programs to help businesses grow and successfully compete both in the U.S. and abroad. We are proud to have helped over 18,000 businesses claim more than \$4 billion in tax incentives.

What types of commercial buildings qualify?

Architects, engineers, contractors or energy service companies who have performed energy-efficient design work for new commercial buildings or renovations/retrofits of existing commercial buildings such as retail, offices, industrial, apartments with at least 4 stories or warehouses

What are the requirements?

There are multiple ways to secure a 179D deduction and different levels of deductions depending on the energy-efficiency levels that your project meets. Initially qualifying for 179D is not hard at all—qualifying firms just need to surpass 2001 ASHRAE standards for buildings placed into service before 2016—standards that most state codes already surpass. Due to the Protecting Americans from Tax Hikes (PATH) Act of 2015, buildings placed into service in 2016 must surpass 2007 ASHRAE standards.

Make sure that you examine and exhaust all of the partial and fractional qualification methods to maximize your benefit. In some cases, energy and power reductions of as little as 10% can result in substantial tax savings.

Our Expertise

As AIA's exclusive partner of 179D and other tax services, our diverse staff of engineers, architects and tax professionals, including CPAs and attorneys, is fully knowledgeable and experienced in the requirements of the 179D deduction. Led by a team of Washington insiders and former IRS executives – including former IRS Commissioner Mark W. Everson – our 179D services are done in-line with IRS standards, providing trusted counsel and proven results.

Our services include the following:

- A risk-free, no-cost preliminary assessment
- Energy modeling and certification of qualified projects
- Comprehensive study product deliverable

