



“Green” Deduction for Energy Efficient Commercial Buildings

While you have been managing your business, taxing authorities at both the federal and state levels have issued legislation which encourages the efficient use of energy for new or renovated buildings. Under the 2008 Emergency Economic Stabilization Act, taxpayers may experience financial assistance in meeting energy savings goals and improving cash flow through tax incentives.

Are you...

An architect, engineer, contractor, environmental consultant or energy services consultant who has designed a building owned by a federal, state, or local government entity?

A building owner who has developed or renovated a building since January 2006?

A company that owns or leases properties which have been renovated to be more energy efficient?

Solutions

Intended to encourage the design and construction of energy efficient buildings, the 2008 Emergency Economic Stabilization Act extends federal provisions under Internal Revenue Code Section 179D to benefit taxpayers constructing or improving commercial structures between January 1, 2006 and December 31, 2013. To qualify, the taxpayer must reduce the total annual energy and power costs related to interior lighting, HVAC and building envelope systems of the structure by at least 16.66 percent when compared to the baseline standard established by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1-2001. Partial deductions are available for individual building systems. Deductions are also available to designers of energy efficient buildings owned by a federal, state or local entity.

In each case, our team, working with a qualified engineer who is licensed in the jurisdiction in which the building is located, will conduct a study to establish the amount of the deduction, which can include multiple years and multiple taxpayers such as building owners and tenants. The study, which must include a signed certification, is attached to the taxpayer's return.

Elliott Davis

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