

Using the 179D Tax Deduction to Reduce Energy Use in Municipal Buildings

Presented by:

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Abbott Energy, Inc.
Efficiency Solutions Engineered
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WOLBERG
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Why are we here today?



- ❑ Learn how 179D Federal Tax Deduction Applies to Municipalities
- ❑ TO SAVE YOU MONEY
- ❑ Extend Budgets
- ❑ \$0.60/sq.ft. - \$1.80/sq.ft.
- ❑ Increase feasibility of project
- ❑ Roll in past work as continued project into new year...



Energy Policy Act of 2005



- ❑ Congress passed legislation in August 2005 to encourage property owners to build energy efficient real estate properties, in order to promote reduction in energy consumption. 1/1/06 through 12/31/08.
- ❑ The Emergency Economic Stabilization Act of 2008 (HR-1424), approved and signed on Oct. 3, 2008, extended the benefits of the Energy Policy Act of 2005 through December 31, 2013.
- ❑ The entity that funds the investment on a private property, or the designer on a government-owned property, is eligible for the deduction.
- ❑ The ruling allows a tax deduction of up to \$1.80 per sq. ft.

IRS 179D Deduction Notices:



- ▣ Notice 2006-52
 - 1st Official IRS Notice.
 - Relates to Commercial Entities.
 - Outlines Program and Associated Design Standards.
- ▣ Notice 2008-40
 - Intended to “Clarify and Amplify” prior Notice.
 - Added “SPECIAL RULE FOR GOVERNMENT OWNED BUILDINGS”.
 - Outlines Allocation Procedure.
- ▣ Notice 2012-26
 - Most Recent Notice.
 - Sets forth additional guidance.
 - Intended to be used with prior two Notices.

Two Ways to Qualify Under 179D

- ▣ 1st - *“Whole Building”* Approach
- ▣ 2nd - *“Partial Building Systems”* Approach

Typical Energy Reduction Strategy

Lighting



HVAC



Building Envelope

