

## **Tax Deductions for Energy Efficient Building Retrofits**

Commercial properties retrofitted for energy conservation since December 31, 2006 and prior to December 31, 2013 may be eligible for tax deductions under the Energy Policy Act of 2005 (EPACT 2005 Clause 179D). Buildings need to meet or exceed the performance standards outlined in ASHRAE 90.1-2001 in order to qualify. The maximum deduction allowed is \$1.80 per square foot. There are three applicable sub-section deductions, each of which has available up to \$0.60 per square foot. These are HVAC, lighting and lighting controls, and building envelope.

These tax deductions are intended for municipal buildings as well as those privately owned. As a consequence designers, engineers, and/or architects responsible for publicly owned buildings may be eligible. This is a unique opportunity and not typical of previous versions of tax incentive legislation.

These deductions may be retroactive for retrofits or new buildings completed, in compliance, and in service since December 31, 2006. The program continues through the 2013 tax year.

In order to qualify eligible buildings should meet the following criteria:

- Commercial or Municipal buildings in service since 12/31/06
- Buildings retrofitted since 12/31/06 and prior to 12/31/13
- LEED Certified Buildings
- Architects, designers or engineers who have completed and/or will place in service municipal buildings since 12/31/06 or prior to 12/31/13.

The IRS requires that applicants have an independent analysis of each building to be completed by a qualified engineer or contractor, using IRS approved software. Qualifying structures may include multi-family residential structures more than three stories tall.

HeatSaver® has qualified tax consultants and engineers available for counsel on these opportunities. HeatSaver's performance, along with these deductions, will bring overall return on investment down to within very reasonable parameters. Certainly worthy of your consideration!

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