

§179D Energy Efficient Commercial Building Tax Deduction

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Did You Know?

Many buildings are already eligible for some or all of these tax benefits related to improvement projects either completed or planned within the normal course of business, and can thus achieve substantial tax savings without high-dollar construction expenses.



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What Is The 179D Tax Deduction?

The 2005 Energy Policy Act created §179D which allows property owners and designers of government buildings a significant federal tax deduction for the costs of installing energy efficient lighting, HVAC, and/or building envelope systems in commercial buildings. The §179D tax deduction offers up to \$1.80 per square foot for improving the energy efficiency of existing commercial buildings or designing efficient new buildings.

What Properties Qualify?

Potentially any building constructed since 2006 and LEED certified buildings will most likely always qualify. Qualifying property must reduce energy use by 50% as compared to a reference building using ASHRAE 90.1 - 01-07. Additionally, the property must be placed in service between January 1st, 2006 and December 31st, 2016.

What Systems Qualify?

Envelope



\$0.60 / SF

Lighting



\$0.30 - \$0.60 / SF

HVAC



\$0.60 / SF

Who Can Perform The Study?

The study must be performed by a 3rd party professional engineer (PE) or other qualified professional.

How is the process started?

A feasibility study is performed on the taxpayer's building, free of charge, and systems that will most likely qualify are identified. A proposal is provided and if accepted, our assigned team will commence work by requesting any additional data and scheduling a site visit. Our engineers will then use energy modeling software to compare the taxpayer's building to a reference building that meets ASHRAE 90.1 01 - 07 standards to determine the percentage reduction in the total annual energy consumption and power costs, with respect to combined usage of a building's HVAC, lighting and hot water systems. Finally, we will compile a final report that outlines our findings and conclusions.

Why Blue Ray Engineering?

Blue Ray Engineering follows all IRS guidelines for performing the 179D tax deduction. Use of Trane Trace® 700 software, commonly referred to as the best in the industry. Has performed engineering services for millions of SF of taxpayers building space.



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