

CLAIM UP TO \$5/SF FOR YOUR BUILDING WITH A 179D TAX DEDUCTION

A powerful way for building owners to finance energy improvements



What is the 179D tax deduction?

The Energy-Efficient Commercial Buildings 179D Tax Deduction is a tax incentive that aims to drive owners and designers of tax-exempt buildings to reduce their energy use by rewarding the implementation of energy-efficient components specifically the HVAC system, interior lighting, and building envelope for both newly constructed buildings or major renovations built from 2006-present.

What changed in 2023?

In prior years, architects, engineers, and design-build contractors were only eligible to receive allocations on projects they designed for federal, state, and local government-owned buildings. Starting in 2023, they can now receive allocations for their design work on tax-exempt entities including universities, non-profits, and churches, to name a few.

The Inflation Reduction Act also significantly expanded the benefit of the program up to \$5.36/SF for buildings that meet certain prevailing wage and apprenticeship standards.

What is the ideal building type?

Unlike most deductions, which are based on the amount spent, this deduction is primarily based on affected square footage. Ideal candidates will generally have improvements of larger than 25,000 SF.

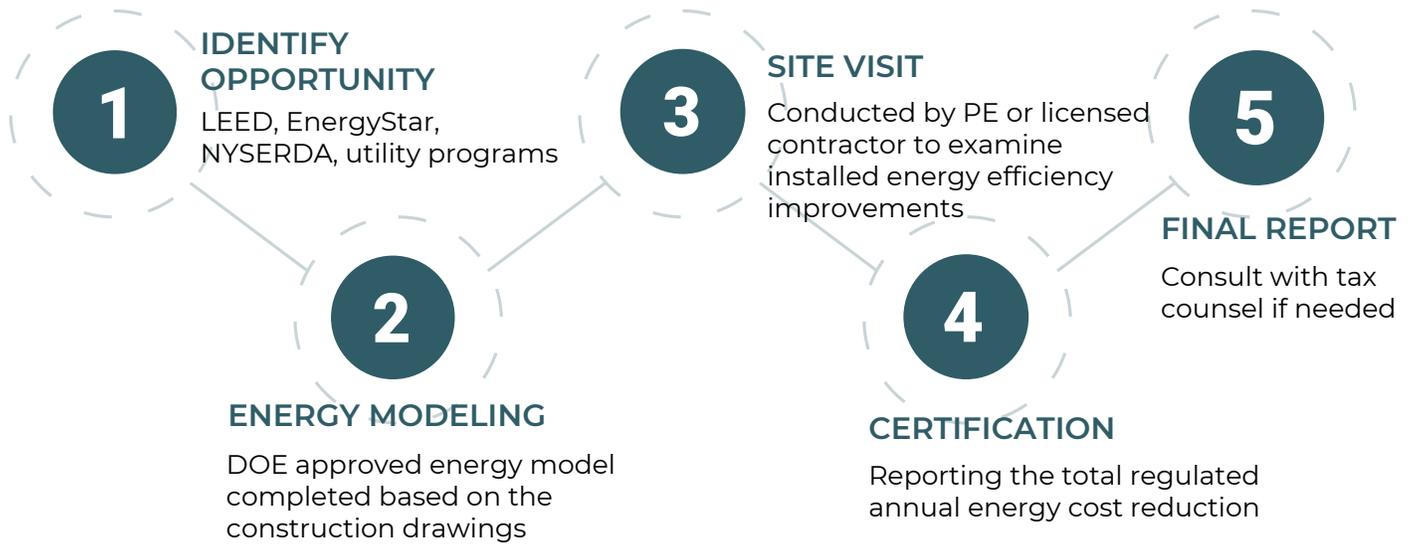
A wide range of improvements, from simple lighting retrofits to full-scale construction projects, qualify for this timely tax break. Other great candidates include regional or national chains with multiple locations.

Who qualifies?

- Building owners
- Architects
- Engineers
- Other building designers



What does the process look like?



Example of potential deductions

SAMPLE PROJECT SIZE	BASE \$0.02/each percentage savings		BONUS \$0.11/each percentage savings	
	25% SAVINGS \$0.54/SF	50% SAVINGS up to \$1.07/SF*	25% SAVINGS \$2.68/SF	50% SAVINGS up to \$5.36/SF*
50,000 SF	\$27,000	\$53,500	\$134,000	\$268,000
100,000 SF	\$54,000	\$107,000	\$268,000	\$536,000
250,000 SF	\$135,000	\$267,500	\$670,000	\$1,340,000

*amendment by the Inflation Reduction Act and Rev. Proc. 2022-38 (26 Energy Efficient Commercial Building Deduction.)

We can provide assistance for your deduction.
Contact our team to learn more.



UMIT SIRT, PE, SENIOR ENGINEER - PARTNER
USIRT@TAITEM.COM • 347-804-4255

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