

EPA Act 179D Tax Deduction Services



Investment	Investment Value at Year end
424 963	467 459
446 211	1 005 037
468 522	1 620 915
491 948	2 324 149
516 545	3 124 764
542 372	4 033 850
569 491	5 063 675
Start at monthly	8 35 414

Can we do this?

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What is EPA Act 179D?

179D is a federal tax deduction from the Energy Policy Act of 2005 that allows taxpayers to deduct the cost of energy efficient systems installed in commercial buildings. There are three systems involved in the 179D Tax Deduction: lighting, HVAC, and building envelope. The tax deduction allows for up to \$0.60/sq. ft. for each system separately with a maximum deduction allowed of up to \$1.80/sq. ft. for a building exceeding the ASHRAE 90.1 2001 or 2007 standards for all three systems. These incentives were designed to encourage architects and private building owners to invest in energy efficient buildings and systems for their facilities.

In the last two years alone, EDSS has saved building owners and architects over \$500 Million in tax deductions and rebates.



Our comprehensive process identifies qualified energy-efficient components that will give you **immediate results** for tax deductions. We simplify the process to **maximize** the benefit to your bottom line.

Who is Qualified?

Deductions are available to owners of private buildings and designers of public government-owned buildings. Government-owned facilities allow the deduction to be allocated to the designer. Owners, designers, and architects must have energy efficient buildings placed in service from January 1, 2006 through December 31, 2016.

Eligible Work:

- New Construction • Remodels • Additions
- Tenant-Owned Leasehold Improvements • Upgraded Facilities

EDSS has experience working with a number of different building types, both private and public. Examples are listed below, but are not limited to:

Private:

- Auto Dealerships
- Hotels
- Restaurants
- Retailers
- Warehouses
- Office Buildings
- Distribution Centers

Public/ Government Owned:

- Public Schools
- Airports
- Parking Garages
- Prisons
- Sport & Event Arenas
- Public Libraries
- Military Bases

Contact us today for a FREE preliminary review to estimate your possible deduction!

EPA Act 179D Tax Deduction

How it Works

1 Component

To qualify for \$0.60 deduction an energy improvement must be made in 1 out of 3 components (Lighting, HVAC, Building Envelope).

Interim Lighting

Interim lighting is available on a sliding scale of \$0.30-\$0.60 per sq. ft. in special cases.

2 Components

To qualify for \$1.20 deduction an energy improvement must be made in 2 out of 3 components (Lighting, HVAC, Building Envelope). Each component must qualify for the \$0.60 deduction separately before they can be totaled for the \$1.20 deduction.

3 Components

To qualify for \$1.80 deduction an energy improvement must be made in all 3 components (Lighting, HVAC, Building Envelope) and improve the energy use by an aggregate of 50% or more.

	Interim Lighting	1 Comp.												
Sq Ft.	\$0.30 - \$0.60	\$0.60	(\$0.60)	+	(\$0.60)	=	Total	(\$0.60)	+	(\$0.60)	+	(\$0.60)	=	Total
75k	\$22.5k - \$45k	\$45k	\$45k		\$45k		\$90k	\$45k		\$45k		\$45k		\$135k
100k	\$30k - \$60k	\$60k	\$60k		\$60k		\$120k	\$60k		\$60k		\$60k		\$180k
250k	\$75k - \$150k	\$150k	\$150k		\$150k		\$300k	\$150k		\$150k		\$150k		\$450k
500k	\$150k - \$300k	\$300k	\$300k		\$300k		\$600k	\$300k		\$300k		\$300k		\$900k
1,000k	\$300k - \$600k	\$600k	\$600k		\$600k		\$1,200k	\$600k		\$600k		\$600k		\$1,800k

Detailed Typical Savings Analysis

Private	Auto Dealership	2012	2013	2014	Total	Small Retailer	2012	2013	2014	Total
	# of qualified dealerships opened in each respective year (25,000 sq. ft. each)	4	7	5	16	# of qualified stores opened in each respective year (5,000 sq. ft. each)	23	27	33	83
Total Square Footage	100,000	175,000	125,000	400,000	Total Square Footage	115,000	135,000	165,000	415,000	
Total 179D Deduction (\$1.80/ sq. ft. max)	\$180,000	\$315,000	\$225,000	\$720,000	Total 179D Deduction (\$1.80/ sq. ft. max)	\$207,000	\$243,000	\$297,000	\$747,000	
Net Benefit of 179D	\$111,600	\$195,300	\$139,500	\$446,400	Net Benefit of 179D	\$128,340	\$150,660	\$184,140	\$463,140	

Public/Government	School	2012	2013	2014	Total	Unconditioned Parking Garage	2012	2013	2014	Total
	# of qualified schools opened in each respective year (100,000 sq. ft. each)	15	24	17	56	# of qualified garages opened in each respective year (150,000 sq. ft. each)	2	6	12	20
Total Square Footage	1,500,000	2,400,000	1,700,000	5,600,000	Total Square Footage	300,000	900,000	1,800,000	3,000,000	
Total 179D Deduction (\$1.80/ sq. ft. max)	\$2,700,000	\$4,320,000	\$3,060,000	\$10,080,000	Total 179D Deduction (\$0.60/ sq. ft. max)	\$180,000	\$540,000	\$1,080,000	\$1,800,000	
Net Benefit of 179D	\$1,674,000	\$2,678,400	\$1,879,200	\$6,249,600	Net Benefit of 179D	\$111,600	\$334,800	\$669,600	\$1,116,000	