



RESEARCH CREDITS & INCENTIVES SOLUTIONS

ENERGY INCENTIVES

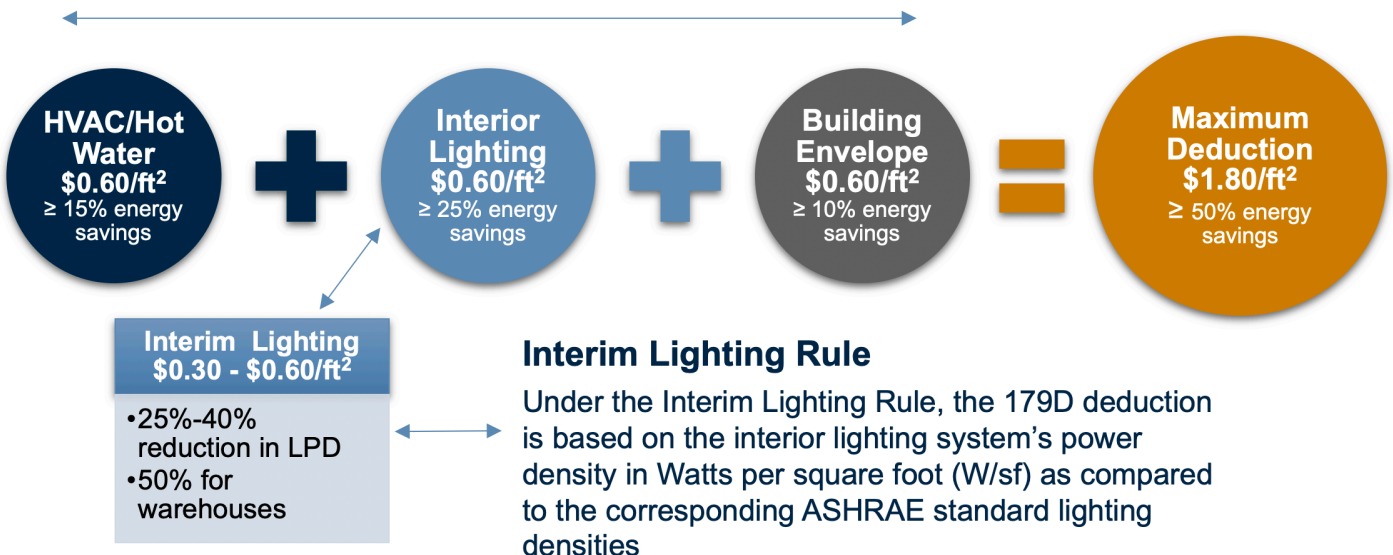
\$179D EPACT TAX DEDUCTION



Originally enacted in the Energy Policy Act of 2005 and recently made permanent as part of the Consolidated Appropriations Act of 2021, **179D provides a tax deduction of up to \$1.80 per square foot** (indexed for inflation beginning in 2021) for new construction, retrofits or expansions of commercial buildings that install lighting, building envelope or HVAC systems that reduce the buildings total energy and power costs by 50% or more in comparison to certain standards.

Partial Deductions

Allowed for individually qualifying components



Actual energy savings are determined using the following standards:

- Placed in service 1/1/2016-12/31/2020 - Compared to ASHRAE 90.1-2007
- Placed in service on or after 1/1/2021 - Compared to ASHRAE 90.1- (2 years prior to date construction began)

Who Benefits?



Commercial Building Owners:

- Owners of commercial buildings, warehouses, parking garages, high-rise (greater than 3 stories above grade) apartment buildings
- Property located in the US

Government Owned Building Designers:

- Special rule allows public entities to allocate benefit to primary designer
- Buildings owned by federal, state or local government
- Property located in the US

The IRS requires all claims:



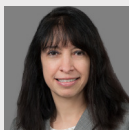
- ✓ Be certified by a qualified, unrelated third party
- ✓ Meet or exceed the energy efficiency requirements of IRC 179D
- ✓ Include the necessary computer modeling, using IRS approved software
- ✓ Include a qualified allocation letter for primary designers of government owned buildings

How A&M Taxand can help:



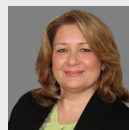
A&M offers a complete turnkey solution. We provide complimentary benefit estimates for all of your projects. In addition, we review our findings with your tax preparer to determine actual cash savings. We work with public building designers to secure the necessary Allocation Letters. We also provide detailed documentation, as required by the IRS, to support the deduction. Contact an A&M representative to learn more about this deduction or receive a no-cost estimate of your potential savings.

For more information, contact one of our experts:



Kathleen King
Managing Director
Washington, D.C.

+1 703 994 8782
KKing@alvarezandmarsal.com



Stephanie Doughty
Senior Director
Washington, D.C.

+1 202 836 2622
SDoughty@alvarezandmarsal.com

ABOUT ALVAREZ & MARSAL TAXAND

Alvarez & Marsal Taxand, an affiliate of Alvarez & Marsal (A&M), a leading global professional services firm, is an independent tax group made up of experienced tax professionals dedicated to providing customized tax advice to clients and investors across a broad range of industries. Its professionals extend A&M's commitment to offering clients a choice in advisors who are free from audit-based conflicts of interest, and bring an unyielding commitment to delivering responsive client service. A&M Taxand has offices in major metropolitan markets throughout the U.S., and serves the U.K. from its base in London.

Alvarez & Marsal Taxand is a founder of Taxand, the world's largest independent tax organization, which provides high quality, integrated tax advice worldwide. Taxand professionals, including almost 550 partners and more than 2,500 advisors in 50 countries, grasp both the fine points of tax and the broader strategic implications, helping you mitigate risk, manage your tax burden and drive the performance of your business.

Follow us on:

