

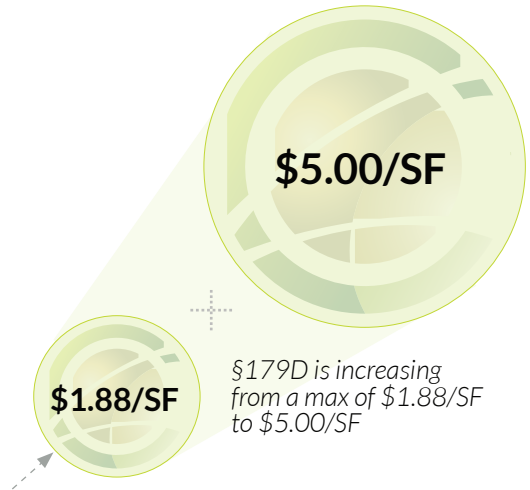
IRA 2022 §179D Changes

Key Relevant Changes- for EECBP Placed in service 1/1/2023

25% Reduction as starting point, with additional benefit per every percentage point improvement against ASHRAE 90.1 Standard, 4 years prior to the date in which the building was placed in service.

		Key Relevant changes for EECBP placed in service 1/1/2023		
		25% Reduction	Each additional % Point	50% or higher red
Prevailing wage & apprenticeship requirements	Meets	\$2.50/SF	\$0.10/SF	\$5.00/SF
	Does not meet	\$0.50/SF	\$0.02/SF	\$1.00/SF

Prevailing Wage will determine the starting point of the benefit



- Tax Exempt Building Owners may now allocate the §179D to designers of energy efficient commercial buildings.
- Expectation is that Rules will mirror the allocation of the §179D to the designers that currently exist
- New Qualifying methodology analyzing Energy use Intensity for retrofits
- Same buildings will be able to be recertified if additional energy improvements are made every 3 years for privately owned and every 4 year for government/tax exempt owned
- REIT will now be able to benefit from §179D in the year in which the EECBP was placed into service

Designers of EECBP

 ARCHITECTS That design energy efficient government buildings	 ENGINEERS (Mechanical &/or Electrical) that Design Energy Efficient Government Buildings	 DESIGN BUILD CONTRACTORS Contractors that Design Energy Efficient Government Buildings	 ENERGY SERVICE COMPANIES (ESCOs, Performance Contractors, HVAC Contractors, Lighting Contractors) that Design Energy Efficient Government Buildings
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Inflation Reduction Act -IRS Issues Announcement Affirming ASHRAE Standard 90.1 for §179D Energy Efficient Commercial Building Tax Deduction, starting January 1st, 2023

The announcement clarifies that the reference standard to be used for projects being placed in service until 1/1/2027 will be ASHRAE 90.1-2007.

Date placed in service	Reference Standard 90.1
Before 1/1/2015	Reference standard 90.1-2001
After 12/31/2014 and before 1/1/2027	Reference standard 90.1-2007
After 12/31/2026	Reference standard 90.1-2019