

179D Tax Deduction

Taking the Section 179D Tax Deduction

Under the Energy Policy Act of 2005 (EPAAct) Owners and Designers of new and existing energy efficient commercial buildings are eligible for up to \$1.80 per sq. ft. tax deduction. For example, the deduction for a qualifying 100,000-sq.-ft. building could be up to \$180,000. The \$1.80 can also be split across the three building systems listed below of up to \$0.60 per square foot per system. This deduction is known as the Section 179D Tax Deduction for Energy Efficient Commercial Buildings.

There are three building systems that contribute to the deduction: the building envelope, HVAC, and lighting systems.

A building will qualify for the EPAAct deduction when a building's energy usage is reduced by 50 percent or more compared to a baseline ASHRAE 90.1-2004 standard. Each building system may qualify separately for up to \$0.60 per foot.

Buildings must have been placed into service on or after January 1, 2006. EPAAct was recently extended through December 31, 2014. Congress has discussed expanding the deduction to \$3.00 per foot and making the deduction permanent.

How Your Company Benefits

For Building Owners: New construction and remodels including lighting, HVAC and building envelope upgrades and expansions.

For Building Occupants: EPAAct deductions may be available to occupants who make lighting and HVAC upgrades

Architects and designers of public or government building are eligible for EPAAct deductions of up to \$1.80 per sq. ft. as well by allocation by the public agency to the architect or designer.

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About Maloney + Novotny

Maloney + Novotny LLC is a firm of certified public accountants and business advisors whose business is based on four core values: commitment, integrity, teamwork and the will to win. The result... unparalleled service and dedication to our clients.

For more than 80 years, we have helped clients achieve financial success by providing attest, tax and advisory services, while building relationships that last.

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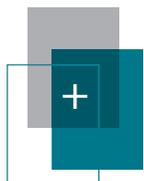
Ideal Candidates

Ideal candidates are commercial buildings or building improvements covering a minimum of 50,000 sq. ft. Improvements could range from lighting and HVAC upgrades to new construction. The term “commercial buildings” includes office buildings, industrial structures, warehouses, retail structures and apartment dwellings four stories or greater.

How We Can Help

In order to take advantage of the Section 179D deduction, the IRS requires an energy modeling study that compares the proposed or existing building’s energy usage to that of a baseline building’s usage. We combine an energy modeling solution specified by the IRS and our tax expertise to generate an EAct study required for the 179D deduction.

Our experience and expertise ensures that your company receives a quality EAct report with audit support up to the appeals process.



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