



New Senate Bill Would Spur Job Creation in Hard-Hit Construction Industry via Under-Used Building Energy Efficiency Tax Deduction

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Credit: Wayne National Forest, Flickr

"Commercial Building Modernization Act" Endorsed by Diverse Coalition of Real Estate Industry, Energy and Environmental Advocates

(Washington, DC) – Legislation recently introduced by Senator Olympia Snowe (R-ME) — joined by Senators Jeff Bingaman (D-NM), Dianne Feinstein (D-CA), and Benjamin Cardin (D-MD) as co-sponsors — would create thousands of U.S. construction and manufacturing jobs by spurring energy efficient retrofits of commercial and multifamily buildings, according to an industry-conservation alliance that includes The Real Estate Roundtable, the Natural Resources Defense Council (NRDC), and the U.S. Green Building Council (USGBC).

The "Commercial Building Modernization Act" (S. 3591) would extend and improve the existing federal tax deduction (Section 179D of the Internal Revenue Code) by leveraging vast sums of private sector investment for technology-neutral, performance-based retrofits. Although the deduction has been available for years (enacted as part of the Energy Policy Act of 2005), it has been cumbersome and costly for building owners to apply Section 179D for comprehensive energy efficiency retrofits. As a result, the current deduction has mostly been used for partial building system upgrades — when used at all.

The reformed 179D tax deduction would generate more than 77,000 construction, manufacturing, and service jobs throughout the country — while achieving greater national energy security and independence — according to a [2011 analysis released by USGBC, NRDC and The Roundtable](#).

"The Snowe-Bingaman legislation is exactly the type of forward-thinking policy America needs right now," said Real Estate Roundtable President and CEO Jeffrey D. DeBoer. "Saving energy is cheaper than producing energy. Modest incentives such as a reformed 179D tax deduction give us great bang-for-the-buck in terms of creating jobs, saving businesses billions of dollars on utility bills, and leveraging private sector funds to enhance GDP and jump-start the sluggish economic recovery."

"This bipartisan legislation demonstrates how tax policy supporting energy efficiency and green building concepts in the places we live and work can create jobs and support innovation in the private sector," said Roger Platt, Senior Vice President for Global Policy and Law at the U.S. Green Building Council. "Saving money and creating better buildings makes good sense from any perspective, and the potential of 77,000 new jobs and billions in energy savings is just the tip of the iceberg."

"This is a win-win for the economy and the environment. This bill will give the right people the right tools they need to make our nation's buildings more efficient, allowing building owners, architects and engineers and other stakeholders to help us reduce carbon pollution," said Franz Matzner, associate director of government affairs at the Natural Resources Defense Council. "By targeting the incentive for retrofits and focusing on real energy savings, this bill will reduce energy bills, create jobs and clean up the air we breathe."

For more information regarding the Commercial Building Modernization Act, please contact:

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About The Real Estate Roundtable


The Real Estate Roundtable brings together leaders of the nation's publicly-held and privately owned real estate ownership, development, lending and management firms with the leaders of national real estate trade associations to jointly address key national policy issues relating to real estate and the overall economy. Participating trade associations represent more than 1.5 million people involved in virtually every aspect of the real estate business. For more information, visit www.rer.org.

About U.S. Green Building Council (USGBC)


The U.S. Green Building Council is committed to a prosperous and sustainable future for our nation through cost-efficient and energy-saving green buildings. With a community comprising 79 local affiliates, nearly 16,000 member organizations, and more than 187,000 LEED Professional Credential holders, USGBC is the driving force of an industry that is projected to contribute \$554 billion to the U.S. GDP from 2009-2013. For more information, visit www.usgbc.org.

About The Natural Resources Defense Council (NRDC)

NRDC is an international nonprofit environmental organization with more than 1.3 million members and online activists. Since 1970, our lawyers, scientists, and other environmental specialists have worked to protect the world's natural resources, public health, and the environment. NRDC has offices in New York City, Washington, D.C., Los Angeles, San Francisco, Chicago, Livingston, Montana, and Beijing. Visit us at www.nrdc.org.



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