

Senate Committee Hears Recommendations on Future of Efficiency Tax Incentives

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As Congress and the White House continue to negotiate over long-term revenue and spending items, the Senate Finance Subcommittee on Energy, Natural Resources and Infrastructure held a [hearing](#) Dec. 12 to survey stakeholder feedback on current energy efficiency tax deductions and credits and what changes could improve the tax code in this area.

Featured in the series of reform recommendations were updates to the 179(d) commercial building tax deduction included in [S. 3591](#), the Commercial Building Modernization Act (CBMA). In his [testimony before the subcommittee](#), Mark Wagner, vice president of government relations at Johnson Controls, urged ratification of the changes in S. 3591.

"We believe it is important to extend and improve the deduction," he said. "Extension and changes as outlined in CBMA are particularly important in light of the fact that there aren't many other financing mechanisms or incentives available that target commercial building efficiency."

Panelist Steve Nadel, executive director of the American Council for an Energy-Efficient Economy, said incentives should be based on verified energy performance and cost effectiveness. In his [testimony](#), Nadel lauded the cost effectiveness of S. 3591.

"In our analysis of prospective tax incentives discussed previously, the 179(d) and the 179(f) provisions were the first- and third-most cost effective, making the bill [S. 3591] a very high priority," he said.

The hearing also covered important ground on residential credits for new and existing homes.

These incentives, which are vital to the building industry, have valuable champions in Congress. However, the future of extending or improving these incentives is much in doubt as Congress charts an uncertain path on simplifying and improving the tax code next year. It is critical to do more to educate members of Congress about the importance of these incentives.

For organizations or individuals who want to engage further or track progress of these efforts, please consider joining the [Coalition for Better Buildings](#).

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Bryan Howard made 10 contributions in the last 6 months



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