Coalition to Extend and Improve the 179D Tax Deduction for Energy Efficient Buildings

July 17, 2015

The Honorable Orrin Hatch  The Honorable Ron Wyden
Chairman Ranking Member
U.S. Senate Committee on Finance U.S. Senate Committee on Finance
219 Dirksen Senate Office Building 219 Dirksen Senate Office Building
Washington, D.C. 20510 Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

We write to urge extension of the Section 179D tax deduction for energy efficient commercial and multifamily buildings, with the refinements to the provision included in S. 2260, the Expiring Provisions Improvement, Reform, and Efficiency (“EXPIRE”) Act of 2014 and those included in title I of the Energy Efficiency Tax Incentives Act (S. 2189) filed last Congress. Section 179D expired on December 31, 2014.

Our organizations and companies represent a broad spectrum of the U.S. economy. They include real estate, manufacturing, architecture, contracting, building services, financing, labor, education, environmental and energy efficiency advocates. We represent many small businesses that drive and sustain American job growth.

Section 179D provides a tax deduction to help offset some of the high costs of energy efficient components and systems for commercial and larger multifamily buildings. The 179D deduction has leveraged billions of dollars in private capital, resulted in the energy-efficient construction of thousands of buildings, and created and preserved hundreds of thousands of jobs. It has lowered demands on the power grid, moved our country closer to energy independence, and reduced carbon emissions.

The amendments proposed to Section 179D in 2014 as part of S. 2260 would have strengthened Section 179D by updating the qualifying efficiency standards to a more stringent level, and by allowing tribal governments and non-profits to allocate the deduction to designers. These modifications have been carefully analyzed and thoroughly vetted by myriad stakeholders, and should be incorporated into any tax extenders package. These provisions further provide a sound policy bridge to comprehensive tax reform efforts.

We also favor improvements to the 179D deduction to better enable retrofits for buildings owned and managed by private sector owners, and encourage that any extenders package incorporate the common sense, technology neutral, and performance based provisions offered by Senators Cardin, Feinstein and Schatz in title I of S. 2189 filed last Congress.
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We strongly urge you to extend section 179D, with improvements to the provision, as offered in S. 2260 and S. 2189 in 2014. Thank you.

Sincerely,

ABM Industries
Acuity Brands
Air Barrier Association of America
Air Conditioning Contractors of America
Air-Conditioning, Heating, and Refrigeration Institute
Alliance for Industrial Efficiency
Alliance to Save Energy
Alliantgroup, LLC
Ameresco
American Council for an Energy-Efficient Economy
American Gaming Association
American Gas Association
American Institute of Architects
American Public Gas Association
American Resort Development Association
American Society of Interior Designers (ASID)
Appraisal Institute
ASHRAE
Associated General Contractors of America
Big Ass Solutions
BLUE Energy Group
Brady Services Inc.
Building Owners and Managers Association (BOMA) International
CCIM Institute
Chestnut Hill South, LLC
Concord Energy Strategies
Consolidated Edison Solutions
Consolidated Energy Solutions
D Squared Tax Strategies
Eaton
Energy Future Coalition
Energy Systems Group
Energy Tax Savers, Inc.
Environmental Defense Fund
Franklin Construction, LLC
Green Light National
Howard J. Moore Company Inc
Independent Electrical Contractors
Ingersoll Rand
Insulation Contractors Association of America
Institute for Market Transformation (IMT)
Institute of Real Estate Management
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International Council of Shopping Centers
International Union of Painters and Allied Trades
Johnson Controls, Inc.
KeyStone Energy
Legrand
Lexicon Lighting Technologies
LightPro Software, LLC
McKinstry Essention, LLC
Mechanical Contractors Association of America (MCAA)
Metrus Energy, Inc.
Micromega Systems, Inc.
Mix Avenue, LLC
NAIOP, the Commercial Real Estate Development Association
North American Insulation Manufacturers Association
National Apartment Association
National Association of College and University Business Officers
National Association of Electrical Distributors
National Association of Energy Service Companies (NAESCO)
National Association of Home Builders
National Association of Real Estate Investment Trusts
National Association of REALTORS®
National Association of State Energy Officials (NASEO)
National Electrical Contractors Association (NECA)
National Electrical Manufacturers Association (NEMA)
National Leased Housing Association (NLHA)
National Multifamily Housing Council
National Roofing Contractors Association
Natural Resources Defense Council
North Haven Health & Racquet, LLC
OpTerra Energy Services
Osram Sylvania
Owens Corning
Pathfinder Engineers & Architects
Plumbing-Heating-Cooling Contractors-National Association
PMH Associates, Inc.
Polyisocyanurate Insulation Manufacturers Association
PowerDown Holdings, Inc.
PowerDown Lighting Systems, Inc.
Rampart Partners LLC
RB+B Architects, Inc.
Real Estate Board of New York
Sheet Metal and Air Conditioning Contractors' National Association
Sheet Metal Workers' International Association, a division of S.M.A.R.T.
(International Association of Sheet Metal, Air, Rail & Transportation Workers)
Saybrook Point Inn, LLC
Saybrook Point Marina, LLC
Sierra Club
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Society of Industrial and Office REALTORS®
Sustainable Performance Solutions
TecnerG, LLC
TerraLUX
The Real Estate Roundtable
Trio Electric
Tri-State Light & Energy, Inc.
U.S. Green Building Council
Window & Door Manufacturers Association

Cc: Senate Majority Leader Mitch McConnell
    Senate Minority Leader Harry Reid
    Members of the Senate Finance Committee