

Energy Solutions Corner

Federal Tax Deductions for Energy Efficiency Improvements

INTRODUCTION

You may be eligible for a tax deduction of up to \$1.80 per square foot for improving the energy efficiency of your existing commercial buildings or designing high efficiency into new buildings. The Federal Energy Policy Act of 2005 (EPAct), includes a tax deduction for investments in “energy-efficient commercial building property” designed to significantly reduce the heating, cooling, water heating, and interior lighting energy cost of new or existing commercial buildings.

ELIGIBILITY

The energy-efficient commercial building property – such as high efficiency lighting systems – must be placed into service between January 1, 2006 and December 31, 2013.

FULL DEDUCTION

To qualify for the full deduction, a building owner or tenant must make investments designed to reduce energy costs by 50% or more.

PARTIAL DEDUCTION

A partial deduction of \$.60 per square foot is available for investments in one of three subsystems – lighting, heating and cooling; or building envelope – designed to reduce energy costs by 16 2/3% (one third of the 50% requirement).

DETERMINING YOUR DEDUCTION

The IRS has established stringent rules for how your allowed deductions must be computed. An independent and licensed engineering firm, utilizing approved software and procedures, must compute and certify the benefit that you are entitled to. A detailed report must be submitted to the IRS to provide the basis for your deduction. The TDI Energy Solutions team utilizes the services of a premier engineering firm that specializes in these services.

FILING YOUR DEDUCTION

We work with your CPA or Accountant and provide them with a detailed report justifying these deductions. Audit protection is included - in the event the deduction is challenged by the IRS - and backed by a Loyds of London insurance policy.

Be confident that you're taking maximum advantage of these significant tax benefits and help your bottom line. Please call us with any questions that you may have. Our Toll-Free number is 877-343-1580.

P.S. - This is the last year that you can amend your 2006 tax return for energy efficiency improvements that you made in 2006.

Brian Reinke

President, TDI Consulting Inc.
877-343-1580 (Toll Free)

www.tdi-consulting.com