



## service and suppliers

# EPAct 2005 commercial building tax deduction officially extended for five years

**sb Susan Bloom**



**Philips Lighting & Advance**

Building owners, property managers, and real estate professionals will be pleased to know that the federal Commercial Building Tax Deduction (CBTD) has officially been extended for five years, through December 31<sup>st</sup>, 2013. The extension was enacted through the Emergency Economic Stabilization Act of 2008,

which became Public Law No. 110-343 when President Bush signed it on October 3<sup>rd</sup>.

The CBTD opportunity was first introduced in August 2005 as an element of the 2005 Energy Policy Act. Considered to be among the most sweeping bodies of legislation to affect the nation's energy production and consumption in decades, EPAct 2005 set a host of new product efficiency standards and supported enhancements to the nation's electric grid and generating infrastructure.

EPAct 2005 also offered unprecedented new federally-sponsored financial incentives rewarding the use of energy-efficient lighting, HVAC, and other high-efficiency

building envelope technologies in both qualifying new installation as well as retrofit applications.

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Originally available for eligible technologies placed into service between January 1<sup>st</sup>, 2006 and De-

ember 31<sup>st</sup>, 2007 (and now through December 31<sup>st</sup>, 2013), financial incentives are offered in the form

of tax deductions which provide up to \$.60 per s/f on the installation of energy-efficient lighting products

that result in a building's increase in energy efficiency by 25-40% or more over the ASHRAE 90.1-2001 standard (adopted as the commercial building reference standard for state building energy codes, the ASHRAE 90.1-2001 standard was instituted by industry association ASHRAE, the American Society of Heating, Refrigerating, and Air Conditioning Engineers).

Tax deductions of up to \$1.80 per s/f are available on qualifying whole building upgrades that involve a totality of technologies which improve a building's energy efficiency by 50% or more over the ASHRAE 90.1-2001 standard.

In the 3 years that have transpired since EPAct 2005 was enacted, the bill has helped channel our nation towards a more energy-efficient future and the commercial buildings marketplace has responded vigorously to the upgrade opportunity.

"Through the availability of the Federal tax deduction opportunity, commercial end users have more reason than ever to take actions that were in their best financial interests anyway," said Rob Colgan, executive director of marketing for the National Electrical Contractors Association.

"Lighting upgrades make tremendous economic sense on their own based on the energy savings, quality improvements, and productivity enhancements they drive. Tax deductions now enable the market to pursue these activities and enjoy the additional financial benefits of accelerated depreciation."

Offered on top of the extremely attractive 20-50% returns on investment and 2-3 year paybacks that lighting upgrades generate all on their own, EPAct 2005 tax deduction opportunities provide an even more compelling reason to pursue an energy-efficient lighting upgrade in your facility today.

For more information on the commercial buildings tax deduction opportunity, visit [www.efficient-buildings.org](http://www.efficient-buildings.org) or [www.lightingtax-deduction.org](http://www.lightingtax-deduction.org).

To be connected to a qualified energy service company near you or to request a free upgrade guide to help you get started down the beneficial path towards a lighting upgrade, contact Susan Bloom at [susan.bloom@philips.com](mailto:susan.bloom@philips.com).

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