

# Energy and Green Credits

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Reducing carbon footprints is good for the planet and good for businesses. With continued increases in energy costs and regulations, businesses need to find ways to reduce these costs. Often overlooked are energy and green tax credits and other state and federal incentives that provide businesses and/or their owners with tax benefits. Assessing eligibility and accessing these incentive opportunities is complex and requires professionals who understand renewable energy and tax compliance. Our team of tax professionals can assist you in evaluating the tax credit opportunities associated with a wide variety of green and energy incentive programs. These include:

### **179D Deduction—Energy Efficient Building Deduction (also called the EPAct Deduction)**

This incentive provides tax deductions for owners of commercial and multi-family properties that have been constructed or retrofitted with energy efficient lighting, heating, air conditioning, water heating and the building envelope. The deduction, based on meeting the criteria established by the Standard American Society of Heating, Refrigerating and Air Conditioning Engineers and the Illuminating Engineering Society of North America, can result in significant tax reduction. A deduction of up to \$1.80 per square foot is permitted and requires certification from a licensed engineer that the IRS defined saving levels has been achieved.

### **Section 48 Deduction—Renewable Energy Powered Equipment**

This incentive provides business owners who install equipment that produces heat, electricity or light from renewable sources such as solar or wind, significant tax saving opportunities. The federal tax incentive credits generally range from 10-30 percent depending on the type of equipment and energy generated.

In addition to the statutory federal and state tax credits and deductions, many tax jurisdictions offer other incentives ranging from grants, subsidies, low-interest loans, sales tax exemptions or credits and/ or property tax reductions.

Finally, manufacturers, distributors and installers of these eco-friendly assets may be eligible for other incentives, such as Research & Development Credits, export incentives (Interest Charge DISC) hiring credits and other incentives for expanding operations.