



nerelj

Jeff Hiatt - Shining a Bright Light On Bold Tax Savings For Those Who Go Green

May 25, 2011 - Green Buildings

Shining a bright light on bold tax savings for those who go green, Performance Business Solutions, LLC has launched a complimentary audit program to help businesses take advantage of the 179D Energy Efficient Commercial Buildings Deduction.

Although most green deductions are based on the amount spent, this tax deduction is primarily focused on affected square footage. Candidates most likely to qualify for these deep savings will generally have improvements with a square footage of at least 50,000 s/f. Most obvious candidates include manufacturers and regional or national chains with multiple locations.

This legislation offers a tax deduction of up to \$1.80/s/f to those investing in energy efficient improvements placed in service after January 1, 2006. The program has been extended to December 31, 2013.

A wide range of improvements, from simple lighting retrofits to full-scale construction projects, qualify for this timely tax break. Eligible improvements must reduce energy use for any of the following categories - a building's envelope, HVAC (Heating, Ventilation, & Air Conditioning), and/or interior lighting systems.

Tax savings can be significant. For example, an owner of a 50,000 s/f building could save up to \$15,000 - \$30,000 for improved lighting, \$30,000 for more efficient HVAC and another \$30,000 for tightening up the envelope of the building. That is a total of \$90,000.

There is no fine print here. This green deduction offers enormous savings. We find that many building owners are not familiar with this opportunity or how to take advantage of the program. Although there is stringent documentation and compliance required, we walk clients through how they can both save the planet and major tax dollars at the same time.

The basis for this deduction is a detailed engineering analysis, as prescribed by the IRS. The process for obtaining the 179D deduction requires a detailed analysis that must be certified by a qualified third party.

Performance Business Solutions, LLC has the expertise and the required professional qualifications to certify and secure the lucrative tax and financial benefits that are offered by the 179D tax deduction. Performance Business Solutions, LLC can also assist in the design process for future projects by suggesting design alternatives that would ensure qualification for 179D and other specific green building incentives.

Jeff Hiatt is a managing member of Performance Business Solutions, LLC, Hampton Falls, N.H.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540