

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

April 1, 2014

The Honorable Ron Wyden  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

The Honorable Orrin Hatch  
Ranking Member  
Committee on Finance  
U.S. Senate  
Washington, D.C.

Dear Chairman Wyden and Ranking Member Hatch:

We write to urge extension of the Section 179D tax deduction for energy efficient commercial and multifamily buildings – with refinements included in S. 2189 (introduced today) to better enable the deduction’s use for “retrofits” of existing buildings. Section 179D expired on December 31, 2013.

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.

To date, section 179D has primarily been used to encourage energy efficient new construction. The deduction has also been used successfully in the context of public buildings. However, since 179D’s initial enactment in 2005, the intent has also been to encourage private sector and non-profit owners to retrofit existing buildings. In this regard, 179D can be improved. Considering that most of the buildings that exist in the U.S. today will still be standing for decades to come, 179D should be strengthened to encourage retrofits and thereby maximize the incentive’s potential as an engine for sound tax, jobs, energy and environmental policy. Title I of the “Energy Efficiency Tax Incentives Act” (S. 2189) – introduced today by Senators Cardin, Feinstein, and Schatz – preserves the deduction’s application for new construction and public buildings, while also meaningfully incentivizes private sector and non-profit retrofits. The commercial buildings provisions in S. 2189 have been carefully analyzed and thoroughly vetted by myriad stakeholders, and should be incorporated into any tax extenders package. Title I of S. 2189 further provides a sound policy bridge to comprehensive tax reform efforts.

We strongly urge you to extend section 179D, with improvements to enable retrofit projects as offered by Title I of S. 2189. Thank you.

Cc: The Honorable Benjamin Cardin  
The Honorable Dianne Feinstein  
The Honorable Brian Schatz  
Members of the Finance Committee of the U.S. Senate

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**SUPPORTING ORGANIZATIONS**

ABM Industries  
Acuity Brands  
Advanced Energy Economy  
Air Barrier Association of America  
Air Conditioning Contractors of America  
Air-Conditioning, Heating, and Refrigeration Institute  
Alliance for Industrial Efficiency  
Alliance to Save Energy  
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  
Appraisal Institute  
ASHRAE  
Big Ass Fans  
Building Owners and Managers Association (BOMA) International  
CCIM Institute  
Council of North American Insulation Manufacturers  
Eaton  
Energy Future Coalition  
Energy Tax Savers, Inc.  
Environmental Defense Fund  
Independent Electrical Contractors  
Ingersoll Rand  
Insulation Contractors Association of America  
Institute for Market Transformation  
Institute of Real Estate Management  
International Council of Shopping Centers  
International Union of Painters and Allied Trades  
Johnson Controls, Inc.  
Legrand  
Mechanical Contractors Association of America (MCAA)  
Metrus Energy, Inc.  
NAIOP, the Commercial Real Estate Development Association  
National Apartment Association  
National Association of Electrical Distributors  
National Association of College and University Business Officers  
National Association of Home Builders  
National Association of Real Estate Investment Trusts  
National Association of REALTORS®  
National Electrical Contractors Association  
National Electrical Manufacturers Association (NEMA)  
National Leased Housing Association (NLHA)  
National Multifamily Housing Council

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Natural Resources Defense Council  
National Roofing Contractors Association  
Osram Sylvania  
Owens Corning  
Plumbing-Heating-Cooling Contractors—National Association  
Polyisocyanurate Insulation Manufacturers Association  
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**)  
Society of Industrial and Office REALTORS®  
TerraLUX  
The Real Estate Roundtable  
U.S. Green Building Council  
Window & Door Manufacturers Association