

Adams 12 Five Star Schools

IRS - IRC §179D Energy Efficient Commercial Buildings Property (EECBP)

Deduction Approval Process

IRC §179D(d)(4) allows the owner of government buildings to allocate the IRC §179D deduction to the person (a “Designer”) ***primarily responsible for designing*** the EECBP. ***A Designer is a person who creates the Technical Specifications*** for installation of the EECBP. For example, a Designer may be an architect, engineer, contractor, environmental consultant, or energy services provider. (You ***MUST*** be involved in the ***Design Phase*** of the project in order to receive approval from Adams 12 Five Star Schools.)

It is important to note that the ***Designer creates EECBP Technical Specifications for a new building or an addition to an existing building rather than merely installing, repairing, or maintaining the EECBP.*** For example, a heating and cooling specialist who repairs the EECBP after it is installed is not a Designer.

Step 1: Upon completion of design for construction or renovation of an Adams 12 Five Star Schools facility, submit a Letter of Intent to Apply for Allocation of 179D deductions. This letter should be on company letterhead and contain, at a minimum, the following components:

- a. Name, address, contact information of company seeking the allocation
- b. Name, address, contact information of Adams 12 Five Star Schools representative with whom the company is working (typically the project manager)
- c. Name and address of the project to be built or renovated
- d. Scope of Work to be performed. This section should clearly address how the company seeking the allocation meets the definition of a Designer as set forth in the I.R.S Code above
- e. Whether or not the company will be seeking a full or partial deduction
- f. A statement verifying that the company has notified all active participants of the contract to see if they would like to attempt to take benefit of this tax incentive
- g. Which of the following the deduction will be applied for: (i) Interior Lighting Systems, (ii) Building envelope construction, or (iii) Heating, cooling, ventilation, and hot water systems that reduce the building’s total energy and power cost by 50% or more in comparison to a building meeting the minimum requirements set by standards established by the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE)

Step 2: Once the facility is placed into service, have a third-party complete the required Energy Analysis and Modeling

Step 3: Complete the inspection, with your Adams 12 Five Star Schools representative, to confirm installation of the energy efficient building or renovation

Step 4: Submit the Adams 12 Five Star Schools Allocation Form for review, acceptance, and signature. Included with this form must be the following:

- a. A summary report of the findings of the qualified individual performing the energy analysis and modeling
- b. The energy model
- c. A certification by the qualified individual that complies with Section 179D, and the qualified individual's credentials.
- d. Other information as may be requested by Adams 12 Five Star Schools in order to appropriately review and determine whether or not to provide an allocation of the deduction for the project.

Step 5: Submit to Adams 12 Five Star Schools documentation showing that the deduction was included on the company's tax returns for the appropriate year

All applications and documentation should be submitted electronically to
179deductions@adams12.org