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Green Building Write-Offs: Energy Efficient Commercial Building Property Deduction Extended

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In the *Emergency Economic Stabilization Act of 2008* (HR 1424), one of the stimulus bills prompted by the current mortgage crisis, Congress extended federal income tax benefits available to commercial building owners and tenants for energy-efficient HVAC, lighting, and building envelope improvements. Eligibility for the tax deduction depends on the overall efficiency of the green improvements and is conditioned on an aggregate "whole building" energy savings, measured against a defined reference standard, of at least 50%. The deduction was originally created in the *Energy Policy Act of 2005* and allowed a deduction of up to a maximum of \$1.80 per square foot (\$.60 where the "whole building" savings is not met but minimum savings are certifiable) against current income for the cost of specified "green" renovations placed in service after December 31, 2005, through December 31, 2007. The stimulus bill extended the availability of the tax deduction through December 31, 2014.