

# Discussion Agenda

- Introductions
- Energy Efficiency Tax Deduction – IRC 179D
  - Existing provisions (2022 and prior)
  - Update provisions from Inflation Reduction Act “IRA”

# Urish Popeck & Co., LLC

- Regional Firm, Headquartered in Pittsburgh, PA
- Local office located on Sandy Drive
- Founding member of BDO USA Alliance

# Urish Popeck & Co., LLC

- Kevin M. McGarry, CPA
  - 25 years of accounting/consulting experience
  - Urish Popeck for past 20 years
  - Partner-in-charge of State College office

# Disclaimer

- Presentation is for educational purposes which is not intended to provide specific legal or tax advice.
- Tax planning is specific to every business, organization and/or individual, so please consult your advisor for implications specific to your situation.

# IRC Section 179D

- Initial Guidance
  - 2005 Energy Policy Act
  - Tax Deduction – up to \$1.80 per sqft
    - 50% energy/power savings for building
    - Partial deductions
      - HVAC
      - Lighting
      - Building Envelope
  - Certification required
  - Government owned buildings
    - Deduction can be allocated to “designers”

# IRC Section 179D

- Initial Guidance
  - What buildings qualify?
    - Commercial Buildings
    - Residential Buildings – 4 stories or more
    - Government owned buildings
  - Who can benefit?
    - For profit owners
      - Commercial or residential (4 stories or more)
    - Designers of government buildings
      - Architects, engineers, energy consultants

# IRC Section 179D

- New Guidance – Inflation Reduction Act (“IRA”)
  - Increased deduction
    - Up to \$5 per sqft
    - Increase in frequency of improvements/deduction
  - Additional requirements to qualify
    - Prevailing wages and apprenticeship
    - Domestic components used in construction
  - Expanded allocation opportunities
    - Non-Profits
    - Churches/Religious Organizations
    - Private schools/universities

# IRC Section 179D

- Transition/Timing of Guidance
  - Initial guidance
    - 2022 and prior years
    - Opportunities to amend or catch up
  - IRA updated guidance
    - 2023 through 2032
- Certifications/Expertise Required
  - Inspections
  - Certification requirements



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