

December 9, 2009

Dear Member of Congress:

As a broad-based coalition of business, trade, design, construction, environmental, and energy efficiency groups and organizations, we write to you in support of enlarging the Energy Efficient Commercial Building Tax Deduction from \$1.80 per square foot to \$3.00 per square foot in order to help stimulate immediate job creation.

The global financial crisis continues to threaten the livelihood of American businesses and workers as nearly every sector of our economy has been affected by the economic downturn. In order to invigorate the economy and build the foundation for long-term economic growth, Congress must pursue policies that will create jobs in the short-term, yet in an economically-viable manner.

One of the most prudent ways to achieve this dual-goal is to expand upon existing tax incentives that have a track-record of significant job creation. The Energy Efficient Commercial Building Tax Deduction (26 U.S.C 179(d)) is one such incentive. Created in 2005, it provides a tax deduction of up to \$1.80 per square foot for the design and installation of qualified energy efficient building systems in new building construction or in the renovation of existing buildings. This performance-based deduction has leveraged billions of dollars in private capital, in turn leading to the energy-efficient construction or renovation of thousands of buildings across the country, and creating or preserving hundreds of thousands of jobs in the process.

Although the deduction has been successfully used to build and retrofit energy efficient buildings, the economic crisis has reduced the amount of building design, construction and renovations across the country. In addition, because some energy efficient systems are more expensive to design, build, and install than their less efficient counterparts, the initial increased capital costs often dissuade owners from installing these systems.

Therefore, we call on Congress to increase the maximum allowable deduction from \$1.80 per square foot to \$3.00 per square foot (\$1.00 in the case of individual subsystems) in any legislation intended to create jobs. By increasing the deduction to \$3.00 per square foot, Congress could immediately stimulate building design, construction, and renovation across the country, spurring job creation in every state and region, while enhancing our energy independence and improving our nation's infrastructure for the 21st century.

Respectfully,

Air Conditioning Contractors of America (ACCA)
American Council for an Energy-Efficient Economy (ACEEE)
American Council of Engineering Companies
American Institute of Architects (AIA)
American Lighting Association
American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc. (ASHRAE)
Associated Builders and Contractors, Inc.
Associated General Contractors of America
Association of Energy Engineers (AEE)
Brick Industry Association
Center for Environmental Innovation in Roofing
Coleman Hines, Inc.
Comfort Systems USA Energy Services
Conservation Law Foundation
Consolidated Electrical Distributors
Edgewood Electric, Inc.
Energy Systems Group
Energy Tax Savers Inc.

Federation of American Scientists
GreenLink Alliance
Hollenbach Oakley, LLC
Insulation Contractors Association of America (ICAA)
Independent Electrical Contractors, Inc.
Illuminating Engineering Society of North America (IESNA)
Institute for Market Transformation (IMT)
International Code Council
International Council of Shopping Centers (ICSC)
Johnson Controls
LonMark International
Luckett & Farley – Architects, Engineers, and Construction Managers Inc.
Mechanical Contractors Association of America (MCAA)
Moseley Architects
NAED – National Association of Electrical Distributors
NAESCO – National Association of Energy Service Companies
NAIOP, the Commercial Real Estate Development Association
NASEO -- National Association of State Energy Officials
NRCA -- National Roofing Contractors Association
NEEP – Northeast Energy Efficiency Partnerships
NEMA – National Electrical Manufacturers Association
NECA – National Electrical Contractors Association
OLA Consulting Engineers, PC
O’Sullivan Creel, LLP
Osram Sylvania, Inc.
Philips Electronics
PIMA – Polyisocyanurate Insulation Manufacturers Association
PPG Industries
Serious Materials, Inc.
Sheet Metal and Air Conditioning Contractors National Association, Inc. (SMACNA)
SourceCorp
Southeast Energy Efficiency Alliance
Trane, Inc.
U.S. Green Building Council
VPS Architecture, Inc.
Worldwide Energy, Inc.

For questions on the Commercial Building Tax Deduction, please contact Kyle Pitsor at Kyle.Pitsor@nema.org or Andrew Goldberg at AGoldberg@aia.org; and visit: www.efficientbuildings.org