

June 25, 2020

The Honorable Mike Thompson
Chairman
U.S. House Committee on Ways & Means
Subcommittee on Select Revenue Measures
406 Cannon House Office Building
Washington, DC 20515

The Honorable Richard Neal
Chairman
U.S. House Committee on Ways & Means

1102 Longworth House Office Building
Washington, DC 20515

The Honorable Earl Blumenauer
U.S. House of Representatives
1111 Longworth House Office Building
Washington, DC 20515

Dear Chairman Thompson, Chairman Neal and Rep. Blumenauer:

We greatly appreciate the inclusion of an extension and expansion of the Section 179D energy efficient commercial buildings deduction as part of the Growing Renewable Energy and Efficiency Now (GREEN) Act (H.R. 7330).

The organizations and companies that make up the Coalition for Energy Efficient Jobs & Investment have a shared commitment to advancing energy efficiency. The Coalition represents a broad spectrum of the U.S. economy, including real estate, manufacturing, architecture, contracting, engineering, building services, financing, labor, education, environmental and energy efficiency advocates.

The GREEN Act extends Section 179D through December 2025 and strengthens the provision by increasing the value of the enhanced deduction from \$1.80 per square foot to \$3.00 per square foot with an inflation adjustment. Additionally, we appreciate that the maximum Section 179D incentive may be applied to a building once every three years, which will incentivize adoption of cutting-edge, innovative energy efficient technologies and design techniques. Importantly, the GREEN Act retains critical language that enables tax-exempt governmental building owners to benefit from Section 179D by electing to allocate the tax deduction to the primary person responsible for designing the energy efficient enhancements installed in the building. This provision has played a significant role in helping governmental entities - such as local school districts or state government buildings - offset the cost of important enhancements that result in energy savings, and therefore cost savings for taxpayers.

During these challenging times, Section 179D advances a range of important policy objectives. Critically, energy efficient upgrades result in important energy savings, reducing carbon emissions. These enhancements can also improve the management of indoor air quality, which is particularly important as employees begin returning to work. In addition to the environmental and health benefits, Section 179D encourages capital investment and supports hundreds of thousands of American jobs in the construction, engineering, design, and manufacturing industries. As the United States looks towards economic recovery and growth in the wake of the

COVID-19 pandemic, we strongly urge Congress to enact legislation that extends and strengthens Section 179D.

Thank you for your leadership and hard work towards strengthening and extending Section 179D. The Coalition for Energy Efficient Jobs & Investment looks forward to working with the House Committee on Ways & Means as we continue to explore ways to enhance the environmental and economic benefits of this important tax policy.

Sincerely,

The Coalition for Energy Efficient Jobs & Investment