

Inflation Reduction Act Designer Tax Benefits

The Inflation Reduction Act (IRA) increases the amount of tax deductions and expands the eligible building categories for designers. The maximum amount available through the 179D tax deduction is \$5.00 per square foot. Design firms can claim the deduction for tax-exempt buildings. Eligible designers can include architects, engineers, design and build contractors, energy consultants, and systems designers.

COMMON BUILDING TYPES ELIGIBLE FOR THE 179D DESIGNER DEDUCTION

Government Buildings



- » Federal offices, military bases, courthouses, post offices, labs
- » State offices, transportation facilities, state universities, courthouses
- Municipal offices, K-12 public schools, town halls, police/fire stations, libraries, municipal parking garages



Not-for-Profits

» Hospitals, religious institutions, private schools and universities, charity organizations



Tribal Governments

Police/fire stations, hospitals, community centers, casinos

TAX DEDUCTION PROJECT PROCESS

- **Step 1:** Confirm building type is eligible (government, not-for-profit, or tribal government) for designer tax deduction.
- **Step 2:** Collect lighting, HVAC, and building envelope data (plans and existing equipment specifications).
- Step 3: Outline proposed building improvements.
- Step 4: Contact Energy Tax Savers for 179D estimate and energy model.
- **Step 5:** Confirm whether local installers meet prevailing wage and apprenticeship requirements.
- **Step 6:** Obtain 179D sign-off from customer (with help of Energy Tax Savers).
- Step 7: Submit 179D report and forms to tax preparer for filing.

Take advantage of the Inflation Reduction Act tax deduction on your next project. Contact us if you have questions or need advice on where to start.

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