

Certificate of Compliance - Interim

Commercial Buildings Tax Deduction
Section 179D, Internal Revenue Code

1) Building Certifier Information

- The name, address, and telephone number of the qualified certifying individual.

Certifier Name: _____

Company Name: _____

Street Address: _____

City, State, Zip: _____

Phone: _____

Email: _____

2) Building Information

Building or Owner Name: _____

Street Address: _____

City, State, Zip _____

The year the energy-efficient system was installed and placed in service:

2006 2007 2008 2009 2010 2011 2012 2013

3) A Statement of Methodology and Scope:

- If modifying only the lighting system and reducing the watts-per-square of the lighting system from 25 to 40% below 90.1, including bi-level switching and meeting minimum IES illumination level requirements (Interim Rule):

4) A statement that the amount of such reduction has been determined under the rules of IRS Notice 2006-52.

- *The IRS does not require the actual amount of the deduction to be included in the certification. In general, the amount of the deduction is equal to the lesser of:
(1) the capitalized cost incurred with respect to the energy efficient property and (2) per-square foot allowance.*
- *“Capitalized cost” is a tax term that the tax preparer should be able to determine.*
- *If using the Interim Lighting Rules, the actual reduction from the ASHRAE/IESNA 90.1 watt-per-square foot number will be needed by the tax preparer to determine the allowable tax deduction using the following calculation: $100\% - (3 - 1/3 \times (40\% - X\%))$, where X is the percentage below the 90.1 level. The tax preparer will then multiply the result of this equation against the maximum deduction of 60 cents per square foot. Warehouses must reduce the lighting power density by at least 50% below the 90.1 standard and, if so, are eligible for a \$0.60 per square foot deduction. Finally the tax preparer will multiply the resulting cents per square foot by the building area. This statement must include the building area.*

5) A statement of field inspections.

- *Field inspections performed after the property is placed in service must confirm that the building has met, or will meet, the energy-saving targets in the design plans and specifications.*
- *And that the field inspections, were performed in accordance with any inspection and testing procedures that (1) have been prescribed by the National Renewable Energy Laboratory (NREL) as Energy Saving Modeling and Inspection Guidelines for Commercial Building Federal Tax Deductions and (2) are in effect at the time the certification is given.*
- *Under the interim lighting rules, the qualified individual must field inspect the building after the installation to certify that the specified energy efficiency lighting system has been properly installed and that each space, other than public lobbies, store rooms, restrooms and guestrooms, has bi-level switching; and that each space meets minimum IES light level requirements.*
- *Two considerations from a 2005 NREL document Procedure to Measure Indoor Lighting Energy Performance (Technical Report NREL/TP-550-38602) that are relevant to the interim lighting rule are:
1) the wattage of the lamp and ballast combination (not just the lamp watts) must be included and
2) all permanent task-lighting wattage must be included in the wattage total. Divide the connected lighting wattage total by the applicable building area to calculate the watts-per-square foot of the lighting system.*

6) Statement that owner has received explanation of energy efficiency features and projected annual energy costs.

- *If using a building cost method, DOE-approved software is required to calculate energy and power consumption and costs for HVAC and lighting for the entire building. Use the software to provide projected costs for the entire building. The interim lighting rule does not require energy and power cost calculation and does not require use of approved software.*
- *Under the interim lighting rule, an estimate of projected annual energy costs for lighting should be provided based on total connected lighting wattage, projected operating hours of lighting, and current electric rate of the property.*

7) Statement of qualified computer software used to calculate energy and power consumption and costs.

- *Under the Interim Lighting Rule: interim rule does not require energy and power cost calculation, therefore does not require software.*

8) List of components, energy efficiency features, and projected annual energy costs.

For lighting systems:

- *Attach to the Certificate of Compliance a list containing all interior lighting components, energy efficiency features and projected annual energy costs.*
- *This same list with projected annual energy costs, when provided to the building owner, would also evidence compliance with the statement requiring the owner to be provided with the projected annual energy costs.*
- *These comments about statement (6) also apply to statement (8):*
- *If using a building cost method, DOE-approved software is required to calculate energy and power consumption and costs for HVAC and lighting for the entire building. Use the software to provide projected costs for the entire building. The interim lighting rule does not require energy and power cost calculation and does not require use of software.*
- *Under the interim lighting rule, an estimate of projected annual energy costs for lighting should be provided based on total connected lighting wattage, projected operating hours of lighting, and current electric rate of the property.*
- *The list should also include total capitalized cost of the project, including the cost of all lamps, ballasts, fixtures, controls, wiring and any other associated equipment and the capitalized cost of labor.*
- *The tax preparer cannot deduct more than the capitalized value of the investment, so they will need to know the total capitalized cost.*

9) A declaration signed by the qualified individual:

“Under penalties of perjury, I declare that I have examined this certification, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this certification are true, correct, and complete.”

End with Certifier Signature:

Signature: _____

Date: _____

Professional Engineer: PE ID Number: _____

or

Licensed Contractor: License Number: _____