

November 10, 2017

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230 The Capitol
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
S-221 The Capitol
Washington, D.C. 20510

The Honorable Orrin Hatch
Chairman
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Majority Leader McConnell, Minority Leader Schumer, Chairman Hatch, and Ranking Member Wyden:

As members of the 179D Coalition, we are writing to urge you to extend and strengthen the Section 179D deduction for energy efficient commercial buildings as part of tax reform. By leaving this important tax policy expired as of December 31, 2016, the Tax Cuts and Jobs Act risks eliminating an incentive that has become a crucial tool to promote economic and employment growth in communities across the country.

Our organizations and companies represent a broad spectrum of the U.S. economy. They include real estate, manufacturing, architecture, contracting, engineering, building services, financing, labor, education, environmental and energy efficiency advocates. We represent many small businesses that drive and sustain American job growth.

We have witnessed the tremendous impact of Section 179D firsthand. Since its inception, this provision has leveraged billions of dollars in private capital, resulted in energy efficient enhancements to thousands of buildings, and created and preserved hundreds of thousands of jobs. Reforms to Section 179D can boost its contributions to our economy even more.

These benefits are confirmed by a recent economic impact study conducted by Regional Economic Models, Inc. (“REMI”). REMI’s conclusion is unequivocal, finding that “Section 179D is an engine of economic and employment growth.” *In particular, an enhanced tax incentive for energy efficient commercial buildings, including reforms geared toward retrofits of privately-owned buildings, could support up to 76,529 jobs and contribute almost \$7.4 billion toward our national GDP each year.* These results represent a significant return on the taxpayer investment in Section 179D, well in excess of the provision’s revenue cost. The study also confirms that long-term extension/permanence of the current version of Section 179D or making more modest changes to the incentive would have a substantial positive impact on economic and employment growth. Such approaches have been adopted by the Senate Finance Committee in the past on a bipartisan basis, as well as reflected in H.R. 3507, bipartisan legislation in the House in the 115th Congress.

While the expanded expensing provisions of the Tax Cuts and Jobs Act are helpful, they are not a substitute for the incentive provided by Section 179D. Consequently, given its role in supporting jobs and economic growth in communities across the country, we strongly urge you to make the extension and enhancement of Section 179D a priority for comprehensive tax reform.

We look forward to working with you to ensure that tax incentives for energy efficient investment continue to be an engine of growth for our economy. Thank you for your consideration.

Sincerely,

Air Conditioning Contractors of America
Alliantgroup, LLC
Ameresco
American Council of Engineering Companies
American Institute of Architects
American Society of Interior Designers (ASID)
APPA – Leadership in Educational Facilities
Big Ass Solutions
BLUE Energy Group
Building Owners and Managers Association (BOMA) International
CCIM Institute
Concord Energy Strategies
CTS Group
Daikin US Corporation
E2 (Environmental Entrepreneurs)
Energy Optimizers, USA
Energy Systems Group
Energy Tax Savers, Inc.
Entegrity
Green Business Certification Inc.
Institute of Real Estate Management
Insulation Contractors Association of America
Johnson Controls, Inc.
Lexicon Lighting Technologies
LightPro Software, LLC
LuNex Lighting
Micromega Systems, Inc.
National Association of College and University Business Officers (NACUBO)
National Association of Electrical Distributors
National Association of Energy Service Companies (NAESCO)
National Association of State Energy Officials (NASEO)
National Electrical Manufacturers Association (NEMA)
National Association of REALTORS®
National Leased Housing Association

OpTerra Energy Services
Pathfinder Engineers & Architects, LLP
Plumbing-Heating-Cooling Contractors—National Association
Polyisocyanurate Insulation Manufacturers Association (PIMA)
PowerDown Holdings, Inc.
PowerDown Lighting Systems, Inc.
Rampart Partners LLC
Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)
Sustainable Performance Solutions LLC
U.S. Green Building Council