

**►ISSUE: *Energy Deduction 179D*:** The Section 179D deduction in the Internal Revenue Code encourages greater energy efficiency in our nation's commercial and larger multifamily buildings, by allowing for cost recovery of energy efficient windows, roofs, lighting, and heating and cooling systems meeting certain energy savings performance targets. Without section 179D, the same energy efficient property would be depreciated over 39 years (nonresidential) or 27.5 years (residential). Section 179D allows for the accelerated depreciation of high performance equipment that achieves significant energy savings. This provision expired at the end of 2013, but on April 3, 2014, the Senate Finance Committee voted to approve a two-year extension of tax provisions that expired at the end of 2013, including the 179D deduction, which was also updated to reflect higher efficiency standards. The extender package, called the EXPIRE Act, can now move to the Senate floor for debate; the House Ways and Means Committee is scheduled to hold a hearing on business-related tax extenders in April.

**NAR Action:** NAR, in coalition with other industry partners, has sent letters to the relevant House and Senate Committees expressing support for the extension and enhancement of the 179D deduction by providing a sliding scale of incentives that correlate to actual and verifiable improvements in a retrofitted building's energy performance.