

August 14, 2017

The Honorable Dave Reichert
U.S. House of Representatives
1127 Longworth House Office Building
Washington, D.C. 20515

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

The Honorable Tom Reed
U.S. House of Representatives
2437 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Reichert, Congressman Blumenauer, and Congressman Reed:

Thank you for introducing H.R. 3507, legislation that would make permanent and enhance the Section 179D energy efficient commercial buildings tax deduction. Our organizations and companies applaud your commitment to encouraging the installation of energy efficient systems in buildings across the United States.

With the assistance of the Section 179D tax deduction, building owners have been able to leverage billions of dollars in private capital to introduce energy efficient enhancements in thousands of commercial and larger multifamily buildings. These enhancements have created and preserved hundreds of thousands of jobs over the life of the Section 179D tax deduction, and have helped our country make strides toward energy independence.

H.R. 3507 makes important enhancements to the Section 179D tax deduction. Under current law, Section 179D encourages investing in public buildings to make them more energy efficient by allowing federal, state, and local government entities to receive the benefits of cost-effective design services. We're pleased that H.R. 3507 would extend the allocation provision to non-profit and tribal entities. Additionally, H.R. 3507 would enhance the administration of Section 179D for S-corporations, partnerships, and participants in the low income housing tax credit program, strengthening this important energy efficient tax policy.

A recent study conducted by Regional Economic Models, Inc. ("REMI") found that, "Section 179D is an engine of economic and employment growth." In particular, REMI found that an extension and expansion of Section 179D similar to H.R. 3507 would lead to the creation of nearly 40,000 jobs annually and contribute almost \$3.7 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.

We thank you for your leadership on this important issue. The Section 179D tax deduction has a substantial positive impact on economic and employment growth and your legislation would strengthen this impact. We look forward to working with you to advocate for H.R. 3507 and for advancing energy efficient tax policy in the context of tax reform this fall.

Sincerely,

Acuity Brands
Air Conditioning Contractors of America
Alliantgroup, LLC
Ameresco
American Council of Engineering Companies
American Society of Interior Designers (ASID)
APPA – Leadership in Educational Facilities
BLUE Energy Group
Building Owners and Managers Association (BOMA) International
CCIM Institute
Concord Energy Strategies
Con Edison Solutions
Daikin US Corporation
E2 (Environmental Entrepreneurs)
Eaton
Energy Optimizers, USA
Energy Systems Group
Energy Tax Savers, Inc.
Entegrity
Green Business Certification Institute
Independent Electrical Contractors
Institute of Real Estate Management
Insulation Contractors Association of America
Johnson Controls Inc.
National Association of College and University Business Officers (NACUBO)
National Association of Energy Service Companies
National Association of REALTORS®
National Electrical Contractors Association (NECA)
National Electrical Manufacturers Association (NEMA)
National Leased Housing Association
Natural Resources Defense Council
OpTerra Energy Services
Pathfinder Engineers & Architects, LLP
Philips Lighting
Plumbing-Heating-Cooling Contractors—National Association
PMH Associates, Inc.
Polyisocyanurate Insulation Manufacturers Association (PIMA)
Rampart Partners LLC
Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)
Sustainable Performance Solutions LLC
The American Institute of Architects
The Dow Chemical Company
U.S. Green Building Council