



Act Now: Capture Valuable 179D Tax Deductions Before They Expire

What is Section 179D?

Section 179D is a federal tax deduction that rewards energy-efficient design and upgrades in commercial and certain large residential buildings. It allows eligible owners to deduct a portion of project costs tied to energy performance instead of capitalizing them over time.

Your project must begin before June 30, 2026, to be eligible.

Which Buildings Qualify?

Section 179D applies to several building types, including:

- Office buildings
- Warehouses
- Industrial facilities
- Retail
- Mixed-use properties
- Hospitals, healthcare facilities and laboratories

To qualify, the building must meet defined energy-performance standards compared to a reference baseline established in federal guidance.

What Improvements Are Eligible?

Qualifying projects involve permanent energy-efficient improvements to major building systems, including:



Interior Lighting Systems

Advanced lighting retrofits that improve visibility, efficiency and long-term operational savings.



Heating, Cooling, Ventilation and Hot Water Systems

High-performance HVAC and water heating upgrades that lower energy consumption and improve system reliability.



Projects may qualify as whole-building upgrades or through recognized partial systems if they meet the required efficiency thresholds and documentation standards.

Why Act Before 179D Changes or Expires?

Taking advantage of 179D now can:

- Reduce the upfront net cost of energy efficiency projects through substantial tax deductions
- Improve project ROI and accelerate payback periods on efficiency investments
- Offset capital budgets for deferred maintenance and modernization
- Lock in benefits under current rules before changes or expiration

Because the deduction is calculated on a per-square foot basis, larger facilities can generate particularly meaningful tax savings when they meet the highest efficiency tiers and labor requirements.

How We Can Help

EMC can work with you to:



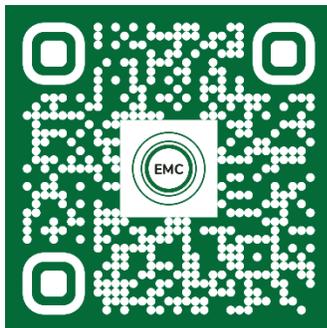
Identify projects and buildings that are strong 179D candidates.



Find and redeem utility incentives that can make the ROI even more attractive.



Execute qualifying lighting and HVAC projects.



Don't Leave Money on the Table

Identify your eligible buildings and projects now to capitalize on 179D while it's still available.

[Contact EMC today to get started.](#)

Information Source: energy.gov