

Issue talking points

The American Institute of Architects

For use by AIA components

Energy efficiency

KEY MESSAGE

Support a new approach to increase energy efficiency in buildings.

THE ASK

AIA urges Congress to amend the federal tax code's definition of qualified improvement property to include energy efficiency technology upgrades.

INTRODUCE THE ISSUE AND DELIVER YOUR KEY MESSAGE

- One of The American Institute of Architect's (AIA) top federal priorities this Congress is to create new tax incentives to increase the energy efficiency of existing buildings.
- Nearly 40 percent of all greenhouse gas emissions are produced by buildings. While we've made great strides to improve the energy efficiency of the building sector, too many existing buildings remain inefficient.
- However, one of the primary federal laws meant to increase energy efficiency in buildings is only impacting a small percentage of them.

DELIVER INFORMATION TO BACK UP YOUR KEY MESSAGE

- Congress passed Section 179D into the Internal Revenue Code in 2005. It was crafted as the main federal tax code provision that would increase the use of energy efficient technologies in all commercial and multi-family buildings.
- However, 179D has been more effective in encouraging their use in new construction, less so for renovations or retrofits to existing buildings.
- 95 percent of existing commercial buildings are more than a decade old and were built prior to 2008. Of all commercial buildings, 82 percent were built before 2000; prior to modern versions of building energy codes governing their design and construction.
- Therein lies the problem; one of the primary federal laws meant to increase energy efficiency in buildings is only impacting a small percentage of them.
- Furthermore, the Tax Cuts and Jobs Act (H.R. 1), passed in 2017, has had the unintended consequence of disincentivizing building owners and developers to invest in property improvements that increase energy efficiency.
- Bottom line: increasing energy efficiency in America's existing building stock needs a fresh approach and a new public policy solution.

FOR MORE INFORMATION

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- These new EE-QIP related jobs would include the design and construction of upgrades to the building envelope, HVAC systems, mechanical insulation, lighting, windows, roofs, submeters and building management systems, to name some examples.

MAKE “THE ASK”

- Amend the federal tax code to better target and incentivize the use of energy efficient technologies on existing commercial and multi-family buildings.
- Specifically, expand the current definition of what is considered “qualified improvement property”, or QIP, to include energy efficient technologies.
- This change would allow building owners and developers to write off a certain percentage of depreciation costs if they install energy efficient technologies such as HVAC, mechanical insulation, lighting, windows, roofs, submeters, and other building management systems.

**Will you work with your colleagues to prioritize these requests this Congress?
How can we support you?**

