

§179D TAX DEDUCTION FOR ARCHITECT FIRMS

WHAT IS THE §179D TAX DEDUCTION?

This powerful tax incentive rewards architects of government/municipal-owned buildings with a federal tax deduction of *up to \$1.80 per square foot* for their energy-efficient design. This tax deduction will increase annually starting in 2021. The deduction can be used to increase cash flow and limit tax liability.

HOW MUCH IS IT WORTH?

Example Building Square Footage	Partial Tax Deductions			Maximum Deduction
	Lighting	HVAC	Envelope	
50,000 sf	\$15K - \$30K	\$30K	\$30K	\$90K
100,000 sf	\$30K - \$60K	\$60K	\$60K	\$180K
300,000 sf	\$90K - \$180K	\$180K	\$180K	\$540K



Lighting
\$.30 TO .60 / SF



HVAC
\$.60 / SF



Envelope
\$.60 / SF

HOW DO I CLAIM THE DEDUCTION?

The basis for developing and supporting this deduction is a detailed engineering analysis, as prescribed by the IRS. KBKG's multi-disciplinary team of engineers and tax experts will ensure the maximum deduction is claimed, following IRS guidance.

WHY CHOOSE KBKG?

- We offer a “no risk” fee arrangement, if there are no deductions to claim, there is no fee.
- Our 179D team has been advocating for incentives as part of the Real Estate Round Table for the last several years. Our head principal, CJ Aberin, has met with lawmakers to ensure 179D and other incentives remain available to designers.
- We offer a custom approach to the allocation letter process. The architectural firm “quarterbacks” the process to preserve the relationship with their client.
- We work in partnership with CPAs to ensure the 179D deduction is included in the tax return documentation.
- We review qualifications for other applicable federal and state incentives to ensure the architectural firm is claiming the maximum allowed benefit.



KBKG is a national tax specialty firm with offices across the U.S. To see if you qualify, call us or visit [KBKG.com/qualify](https://www.kbkg.com/qualify) for more information.