

The IRA Offers Tax Benefits to Commercial Building Owners

What is the Inflation Reduction Act?

As the largest bill in U.S. history focused on climate change, the Inflation Reduction Act (IRA) includes more than \$300 billion in energy efficiency investments and tax incentives. The IRA significantly expands Section 179D of the U.S. tax code to incentivize commercial building owners to invest in energy-efficient building renovations and retrofits.

What's Changing in Section 179D?

Under the IRA, building owners of existing commercial buildings need only show improvement over their existing baseline to be eligible for a tax deduction.

| Section 179D Changes | Claim Your Deduction |
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| <ul style="list-style-type: none"> Higher credit opportunity - now up \$5.00 per square foot, up from \$1.80 per square foot There's more incentive to retrofit existing buildings Updates are permanent - there are no deadlines Changes to deductions will begin January 1, 2023 | <ul style="list-style-type: none"> The credit value is now available on a sliding scale, from \$2.50 to \$5.00 per square foot Must exceed latest DOE-determined ASHRAE 90.1 by a minimum of 25% to receive \$2.50, rising in 10-cent increments up to \$5.00 for each percentage point improvement up to 50% above 90.1 Existing buildings can get sliding scale \$2.50 - \$5.00 deduction by demonstrating 25% - 50% energy use intensity reduction over existing baseline Includes annual inflation adjustment |

Reduce Energy Usage with Commercial Roof Restoration

Commercial roof restoration – and implementing a cool roof system – can help building owners demonstrate significant energy reductions. A cool roof can reduce peak cooling demand by up to 40% in warm climates, lessening the impacts to the HVAC system.* The average energy savings for a cool roof range between 7% to 15% of total cooling costs.¹

Henry® Can Help

Henry offers a full portfolio of cool roof solutions that are rated by the Cool Roof Rating Council®. Whatever your needs, we can help you identify the right solution based on your roofing system, energy requirements, and budget.

*<http://www.energystar.gov>

¹<https://coolroofs.org/resources>

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