

Global A&E Firm Saves \$2 Million with 179D Tax Deduction

Situation

Cherry Bekaert's Tax Credits & Incentives Advisory practice provided a wide scope of services to a prominent global architecture and engineering ("A&E") firm. Recognizing that the A&E firm designed energy efficient systems and buildings on federal, state, and local properties, our engagement team recommended conducting energy certification studies to qualify the firm for the IRC Section 179D commercial buildings energy efficiency tax deduction.

Cherry Bekaert's Guidance

The certification process for the 179D tax deduction requires a detailed engineering approach while applying tax analysis pursuant to the Energy Policy Act ("EPAAct") of 2005. The required engineering and tax analyses require both engineering competencies and a technical tax law analysis, which lead to significant cash savings.

Cherry Bekaert's team has the engineering and technical tax law competency to complete and manage hundreds of certifications and claims throughout the United States. This provided the A&E firm with the confidence that it could pursue the tax incentive without adversely impacting company personnel, operations, and resources.

Cherry Bekaert's tax professionals began by conducting the required energy simulation to verify the deduction. Our team communicated with building owners to explain the deduction and obtain all required documentation and worked with qualified engineers and contractors to complete inspections and testing. Cherry Bekaert also provided tax consulting to verify the deductions oversaw the tax filing process.

Result

To date, the global A&E firm has received more than \$9 million in tax deductions resulting in direct cash savings of more than \$2 million. Today, Cherry Bekaert has completed more than one hundred 179D energy certifications for this A&E firm.

The Cherry Bekaert team was successful because of its understanding of complex construction and design projects. The team performed a high degree of due diligence and worked with a variety of government authorities to expedite the approval process.

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