



Tax tools - Help justify cost of energy projects

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Energy independence is a key strategy for our nation and an aligned goal between the business community and government. As such, the government plays a meaningful role in helping reduce costs of implementing new energy projects through the provision of specific subsidies as well as tax credits.

Subsidies are akin to low hanging fruit, and may not require much creativity to determine whether a project qualifies or not.

Tax tools, on the other hand, leveraged by an accountant familiar with their use, can help reduce taxes in such ways that the tax benefit tips the scales and becomes the new "go"|"no-go" gauge for receiving project approval|funding.

*Tax related tools which can provide added after-tax cash flow for an energy project include:

- * Cost Segregation
- * Asset Disposition in terms of "repair" versus "capital" designation
- * The EPA Act 179D -Energy Efficient Building Design Deduction Benefit (assuming extension)

As tax laws change regularly, key to successful implementation of tax strategies is to know in advance the expiration date of such laws, to understand how they align with projected project completion dates, and the "what-if's", should projected completion date fall behind schedule.

When contemplating energy projects, in addition to your accountant, your government representative can be a quality resource from whom you can obtain further information about existing tax tools, anticipated extensions and/or projected new programs.

Energy independence is an opportunity for all.

*For further information on "Tax Tools" see http://www.buildings.com/article-details/articleid/16710/title/take-advantage-of-tax-tools-on-energy-projects.aspx?topic=531&utm_source=MagnetMail&utm_medium=eNewsletters&utm_term=nadine@tygabox.com&utm_content=2014_08_13_BLD_Energy_Manager&utm_campaign=Two%20Tools%20for%20Quick%20Energy%20Paybacks

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