

Consider Approval of the 179D Tax Rebate Request

Policy Reference: *Board Governance*, “OE-13 – Facilities,” p. 42.

Background Information: As part of the Energy Policy Act of 2005, Congress enacted Section 179D of the Internal Revenue Code to encourage the design and construction of energy efficient buildings. Per IRC §179D(d)(4) and Notice 2008-40, building owners of energy efficient commercial buildings may take a deduction arising from the installation of energy efficient commercial building property as part of the interior lighting, HVAC and hot water systems, or building envelope systems. If the building owner is a government entity, they may allocate the deduction to a designer of the energy efficient commercial building property.

The role of the allocating government entity is to confirm the scope of work performed and related information as eligible to pursue for the IRC §179D deduction by the taxpayer seeking the allocation, and not for determining if in fact the commercial building property is energy efficient.

Two firms have requested that Horry County Schools allocate the deduction on recent projects. Whole Building Systems served as the engineer of record for the renovation project at North Myrtle Beach Middle School. In that capacity they created technical specifications improving the energy efficiency of the HVAC systems.

H.G. Reynolds Company, Inc. served as the construction manager at risk for the new SOAR Academy and the renovations at Myrtle Beach Elementary School. In that capacity they designed energy efficient systems for SOAR Academy and complete rebuild of all major systems at Myrtle Beach Elementary School to bring them up to current code and efficiency requirements.

Purpose: To consider approval of Section 179D Energy Efficient Commercial Building Deduction allocations to qualified firms.

For additional information: Contact John Gardner 843-488-6896 or Daryl Brown 843-488-6774.

Recommended Action:

To consider approval of Section 179D Energy Efficient Commercial Building Deduction allocations to qualified firms.

Estimated Cost: N/A

Recurring___Non-recurring ____

Funding Sources: