

IRS §179D Permission Form Tax Deduction for Energy Efficient Commercial Buildings

We are forwarding this letter to you for informational purposes as well as to request your approval and determination of all applicable tax deductions.

Facility: Bonneville Joint School District # 93, Thunder Ridge High School

In summary, tax deduction 179D was implemented in 2006, and provided for a tax deduction to building Owners that meet stipulated energy efficiency standards for commercial projects completed in 2006. The tax credit has now been extended to projects completed through 2018.

Within 179D, there is a special rule for "Government Owned Buildings", where the tax credit available can be allocated to the project designer(s). More specifically, the exact wording of 179D is as follows:

Section 3. special rule for Government-Owned buildings

.01 In General. In the case of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D) that is installed on or in property owned by a Federal, State, or local government or a political subdivision thereof, the owner of the property may allocate the § 179D deduction to the person primarily responsible for designing the property (the designer). If the allocation of a § 179D deduction to a designer satisfies the requirements of this section, the deduction will be allowed only to that designer. The deduction will be allowed to the designer for the taxable year that includes the date on which the property is placed in service.

.02 Designer of Government-Owned Buildings. A designer is a person that creates the technical specifications for installation of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D). A designer may include, for example, an architect, engineer, contractor, environmental consultant or energy services provider who creates the technical specifications for a new building or an addition to an existing building that incorporates energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D). A person that merely installs, repairs, or maintains the property is not a designer.

.03 Allocation of the Deduction. If more than one designer is responsible for creating the technical specifications for installation of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D) on or in a government-owned building, the owner of the building shall---

- (1) Determine which designer is primarily responsible and allocate the full deduction to that designer, or
- (2) At the owner's discretion, allocate the deduction among several designers.

As Musgrove Engineering was the mechanical designer on the project in question, we are respectfully requesting the following of you:

1. As the steward of the government-owned building, we are requesting that you determine that Musgrove Engineering be allocated 100% of the available § 179D tax deductions as related to the Mechanical systems of the facility.

At this point in time we have not ascertained the final efficiency levels of your facility, but if you approve this request and we proceed with the calculations, we will provide you a full copy of these calculations for your use and future reference.

If you approve this request, please sign and return the attached form. If you would like to discuss this in greater depth, please call and we would be happy to discuss anything with you.



Signature

13 Sep 2018

Date

Authorized Owner's Representative(s):

Owner: Bonneville Joint School District
3497 N. Ammon Road
Idaho Falls, ID 83401
John Pymu
Director of Facilities and Operations
(208) 557-9667