

2010 Green Tax Incentives: Commercial Buildings

Below are **federal and Oregon** tax incentives available in **2010** for the **entity** tax filer. For more information about Perkins & Co's Green Energy Tax Services, or for the Frequently Asked Questions to this worksheet, please visit our website: <http://www.perkinsaccounting.com/green-energy-tax-services.html>

What will you do?

Build it greener

Sustainable buildings

Build a facility that achieves a LEED-NC, LEED-CS or LEED-CI Silver, Gold or Platinum certification, get a tax credit for each square foot. Must earn at least two points in the Optimize Energy Performance credit category and at least one point in Additional Commissioning credit category to qualify.

\$0.60 - \$17.86/sq. ft depending on total building square footage & LEED certification achieved

<http://www.oregon.gov/ENERGY/CONS/BUS/tax/sustain.shtml>;

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/Sustain.pdf>

Weatherization, ventilation, lighting

Light your new construction 10% more efficiently than energy code or standard industry practice. Must have simple payback period of 1 to 15 years.

35% of incremental (or addition) cost of making project exceed energy code or standard industry practice

<http://www.oregon.gov/ENERGY/CONS/BUS/tax/BETC-Efficiency.shtml>;

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/Lighting.pdf>

Increase your energy efficiency

Conservation projects

Save 10% of energy used in a commercial system (e.g., space heating). Must have simple payback period of 1 - 15 years.

35% of incremental cost of making project exceed energy code or standard industry practice

<http://www.oregon.gov/ENERGY/CONS/BUS/tax/BETC-Efficiency.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/Cons.pdf>

Save 10% of energy used in a new or existing building. Must have simple payback period of 1 - 15 years.

35% of incremental cost of making project exceed energy code or standard industry practice

<http://www.oregon.gov/ENERGY/CONS/BUS/tax/BETC-Efficiency.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/Cons.pdf>

Improve your truck's (or truck fleet's) fuel efficiency by at least 10%, get a tax credit based on the cost of the efficiency upgrades. Must have simple payback period of 1-15 years.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/Truck.pdf>

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Retrofit your lighting to be 25% more efficient than existing lighting and recycle your old fixtures. Must have simple payback period of 1 - 15 years.

35% of incremental (or addition) cost of making project exceed energy code or standard industry practice

<http://www.oregon.gov/ENERGY/CONS/BUS/tax/BETC-Efficiency.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/Cons.pdf>

Decrease the vehicle miles traveled by your commuting employees

Commuter Pool Vehicles - Purchase vehicles for transporting three or more riders. Vehicle must reduce vehicle miles traveled at least 150 days per calendar year.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

Financial Incentives – Get a credit for incentives paid to employees to reduce vehicle miles driven at least 45 days per calendar year.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

Parking Cash Out – Get a credit for offering a cash allowance or a transit pass given to an employee in lieu of offering or providing the employee a free or subsidized commuter parking space. Eligible cost is the cost of providing a commuter parking space.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

Car Sharing – Get a credit for running a program in which drivers pay to become members in order to have joint access to a fleet of cars. Eligible costs include the fair market value of parking places, but not the cost of the fleet cars.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

Carpool/Vanpool – Get a credit for the cost of providing a transportation service for registered members to carpool at least 150 calendar days per year. Eligible cost includes vehicle operation cost, but does not include the cost of the vehicle.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,

<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

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Telework – Get a credit for the purchase and installation of equipment that allows an employee to work from home (or an office closer to home) at least 45 days a year.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,
<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

Telework – Get a credit for the purchase and installation of equipment that reduces an employees' business-related travel by at least 25%.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,
<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

Transit Passes – Get a credit for the portion of transit passes you pay for. Riders must use passes at least 45 working days per year. Costs to build a shelter for employees waiting for transit may also qualify.

35% of eligible project costs

<http://www.oregon.gov/ENERGY/TRANS/transhm.shtml>,
<http://www.oregon.gov/ENERGY/CONS/BUS/docs/TransApp.pdf>

Weatherization, ventilation, lighting

Reduce your building's energy costs for heating, cooling, ventilation, water heating and lighting by 50%, write off \$1.80/sq. ft instead of capitalizing it. Reduced \$0.60/sq ft deduction available for single building system (envelope, heating/cooling, lighting) improvements with overall energy savings of 10%, 20%, and 20% respectively.

\$0.30 - \$1.80 per sq ft of expenses may be deducted rather than capitalized

Disclaimer:

This document is a summary and is not intended as tax or legal advice. You should consult with your tax advisor to obtain specific advice with respect to your fact pattern. Based on the most recent "best practice" standards for tax advisors issued by the Treasury Department, commonly referred to as Circular 230, we wish to advise you that this document has not been prepared to be used, and cannot be used, to provide assurance that penalties which may be assessed by the IRS or other taxing authority (including specifically section 6662 understatement penalties) will not be upheld.