

News

NATIONAL LIGHTING BUREAU

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FOR IMMEDIATE RELEASE

Commercial Building Tax Deduction Extended to December 31, 2013

Silver Spring, MD: The Commercial Building Tax Deduction (CBTD) has been extended for five years, through December 31, 2013. The extension was enacted through the Emergency Economic Stabilization Act of 2008, which became Public Law No.110-343 when President Bush signed it on October 3, 2008.

According to the National Lighting Bureau, the CBTD encourages specification of high-efficiency lighting by giving owners an accelerated-depreciation benefit equal to the cost of the lighting system or lighting-system improvement, or \$0.60/square foot, whichever is less. The benefit applies to discrete systems within a building; i.e., not all lighting in a building must meet the efficiency criteria for some of the lighting to be eligible for favorable tax treatment. Lighting systems that do not meet the efficiency required to earn the maximum deduction may be eligible for a smaller deduction.

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Established by the Energy Policy Act of 2005 (EPAcT), the CBTD applies to commercial buildings' heating/ventilating/air-conditioning/water-heating system and building envelope, in addition to lighting.

As explained in a National Lighting Bureau brochure describing EPAcT, the tax benefit takes the form of accelerated depreciation. As such, "were the owner to sell the building, the federal government would be able to recapture whatever depreciation was not earned" at the time of the sale.

The National Lighting Bureau has consistently urged caution when it comes to designing new and replacement lighting systems intended to comply with EPAcT regulations. As explained in the Bureau's EPAcT brochure, "While improved energy efficiency is something we all want, high-efficiency lighting has to be High-Benefit Lighting[®] in order to be genuinely cost- and energy-effective." The brochure explains that High-Benefit Lighting is "lighting that creates an illuminated environment designed specifically for the workers and tasks involved, so they can perform their visual tasks faster, with fewer errors. Lighting that creates visual comfort free of glare. Lighting that enhances the appearance of a space and everything – and everyone – in it. Lighting that uses the high-tech equipment and controls available to deliver the absolute maximum 'bang for the buck,' which is exactly what High-Benefit Lighting is all about."

For a new or replacement lighting system to qualify for the tax incentive, a qualified individual must certify that the system complies with federal regulations. A list of qualified individuals is available free of charge at the National Lighting Bureau website – www.nlb.org – where visitors can also find a free copy of the Bureau's EPAcT brochure and other materials related to High-Benefit Lighting.

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**CBTD Extended to Dec/31/13
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Established in 1976, the National Lighting Bureau is a not-for-profit, independent, lighting information source sponsored by professional societies, trade associations, manufacturers, and agencies of the U.S. government, including, among others:

- Acuity Brands Lighting, Inc.;
- Advance Transformer Company;
- GE Lighting Industrial Technology, Inc.;
- Illuminating Engineering Society of North America (IES);
- interNational Association of Lighting Management Companies (NALMCO);
- Lutron Electronics Company, Inc.;
- National Association of Electrical Distributors (NAED);
- National Electrical Contractors Association (NECA);
- National Electrical Manufacturers Association (NEMA);
- OSRAM Sylvania, Inc.;
- Philips Lighting Company; and
- U.S. General Services Administration.

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