

BUILDING PROJECTS POTENTIALLY ELIGIBLE UNDER NEW IRA TAX PROVISIONS

In 2022, the Inflation Reduction Act created an unprecedented opportunity for clean energy investments across the United States. Initially estimated at \$369 billion in funding, the IRA expands existing tax incentives to help reduce the country's greenhouse gas emissions.

Buildings are one of the most significant contributors to CO₂ emissions. In 2021, buildings presented 37% of global process- and energy-related CO₂ emissions. Building owners can take advantage of tax incentives to help their facilities meet carbon reduction goals and long-term energy savings.

Below are a few projects that may qualify:

IRA Credits

Project Type

Expansions to section 48 of the Investment Tax Credit (ITC) make a maximum 30% rebate available for certain renewable energy properties.*

- Qualified fuel cell property
- Solar property to produce electricity, heat or light
- Geothermal property to produce electricity
- Waste energy property
- Stand alone energy storage
- Microgrid controllers
- Combined heat and power property
- Geothermal property to heat or cool a structure

Alternative Fuel Vehicle Refueling Property Credit (Section 30C)

Buildings located in rural and low-income areas may be eligible to receive a base credit of 6% and up to \$100,000 per eligible alternative refueling and recharging solution. Businesses that meet prevailing wage and registered apprenticeship requirements may be eligible for a 30% credit with the same \$100,000 limit.

Under Section 179D, building owners retrofitting their facilities may qualify for up to \$5.00 per square feet in energy deductions using the current ASHRAE 90.1-2007 baseline to measure energy savings. Below are some of the improvements to buildings that may qualify:

- Heating
- Cooling
- Ventilation
- Hot Water
- Interior Lighting
- Building Envelope

*In order to qualify for the maximum amount of the section 179D deduction or section 48 ITC, along with some other IRA provisions, facilities owners must meet strict prevailing-wage and apprenticeship requirements. Please contact your tax advisor to determine the requirements and project eligibility under the IRA.

Honeywell

715 Peachtree St NE
Atlanta, Georgia 30308
Buildings.Honeywell.com

Honeywell