October 13, 2026

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
2267 Rayburn House Office
Washington, DC 20515

The Honorable Jason Smith
Chairman
U.S. House Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
U.S. House Committee on Ways and Means
1129 Longworth House Office Building
Washington, DC 20515

Dear Speaker Johnson, Minority Leader Jeffries, Chairman Smith, and Ranking Member Neal,

As members of the Coalition for Energy Efficient Jobs & Investment (also known as the "179D Coalition"), we write to urge you to restore the Section 179D deduction for energy efficient commercial buildings to permanence. The One Big Beautiful Bill Act imposed a June 30, 2026 deadline for projects to begin construction in order to claim the deduction. That deadline has now passed. Unless Congress acts to restore this incentive for new projects going forward, it will have eliminated a tool that has become critical to promoting the advancement of high-performance buildings, economic growth and employment in communities across the country.

By way of background, Section 179D was first enacted under President George W. Bush in the Energy Policy Act of 2005 and made permanent under President Donald Trump in the Consolidated Appropriations Act, 2021, signed in December 2020. Throughout its history, Section 179D has enjoyed strong bipartisan support. Section 179D is an enhanced tax deduction akin to accelerated cost recovery, differentiating it from the various energy tax credits in the Tax Code. It enables commercial building owners to offset investments in proven, yet innovative, energy efficiency technologies. Section 179D encourages private investment in infrastructure upgrades to lighting, HVAC and building envelope, powering job creation in the trades, construction, engineering, architecture and manufacturing.

Section 179D is also central to the nation's efforts to achieve energy independence and keep pace with the growing energy demands created by technology and AI. Section 179D helps lower long-term energy costs and is one of the only energy tax provisions in the Tax Code designed to help ease demand on the grid by reducing the amount of energy the upgraded buildings consume. At a time when domestic energy capacity and infrastructure resiliency are national priorities, failing to extend Section 179D would deliver only marginal budgetary savings while disrupting a vital ecosystem of innovation, efficiency and economic opportunity. Restoring the deduction's permanence would also give developers the certainty they need to plan the long-term investments this work requires.

Our organizations and companies represent a broad spectrum of the U.S. economy, including real estate, manufacturing, architecture, contracting, engineering, building services, finance,

education, and environmental and energy efficiency advocacy. Many of our members are small businesses that drive and sustain American job growth, and have witnessed the impact of Section 179D firsthand. Since its inception, the provision has leveraged billions of dollars in private capital, funded high-performance upgrades to thousands of buildings, and created and preserved hundreds of thousands of jobs. Tax-exempt entities may also allocate the deduction to building designers, an option frequently used by public schools and other public buildings.

We urge you to weigh the full economic impact of Section 179D as you consider a multi-year extension or permanent restoration of the deduction. Its proven ability to ease pressure on energy demand aligns directly with Congress's goal of reducing reliance on foreign energy supplies, while also supporting economic growth and job creation. Now that the beginning of construction deadline has passed, restoring this incentive is more urgent than ever, and we stand ready to support any effort to extend or make Section 179D permanent. Thank you for your consideration.

Sincerely,

AMERESCO
American Council of Engineering Companies
American Institute of Architects
American Lighting Association
Aquila Environmental
ASHRAE
Capstan Tax Strategies
Centrix Energy Partners
Concord Energy Strategies
CTI
DuPont Performance Building Solutions
EarthKind Energy
Energy Efficient Investments, Inc.
Energy Systems Group
Energy Tax Savers
Engineered Tax Services
Heating, Air-conditioning, & Refrigeration Distributors International
Johnson Controls, Inc.
JPC Energy Engineers
National Association of Electrical Distributors
National Association of Energy Service Companies (NAESCO)
National Association of Realtors
National Electrical Contractors Association
National Electrical Manufacturers Association
National Roofing Contractors Association
NORESCO

Plumbing-Heating-Cooling Contractors - National Association
Ryan LLC
Southland Industries
Sustainable Performance Solutions
Tag Construction LLC
The Associated General Contractors of America
The Sheet Metal and Air Conditioning Contractors National Association (SMACNA)
Trane Technologies
Viridi Edge LLC
Walker Blue