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IRS Issues Commercial Building Guidelines For EPACT 2005
Building Owners Can Lower Energy Costs and Benefit from Tax Deduction

BETHESA, MD, June 30, 2006 — The Internal Revenue Service (IRS) has issued guidelines explaining how commercial buildings owners or leaseholders who make their buildings more energy efficient can qualify for the tax deduction enacted as part of the Energy Policy Act of 2005 (EPACT 2005).

The IRS guidelines provide tax deductions of \$1.80 per square foot for owners of commercial buildings that exceed ASHRAE 90.1, "Energy Standard for Buildings Except Low-Rise Residential Buildings" by 50 percent or more. Before claiming the tax deduction, building owners must obtain a certification that the building improvements will reduce energy costs by the required levels. The Department of Energy will develop and maintain a public list of software that building owners can use to calculate energy savings.

"There is no reason for building owners not to take advantage of this new deduction," said Jared Blum, President of the Polyisocyanurate Insulation Manufacturers Association. "It is a win-win. Building owners can receive the deduction and reduce the operating costs of their buildings by improving energy performance."

Polyiso roof insulation is a critical product that can help building owners reach the 50% savings. It has the highest R-value per inch of any rigid foam board insulation and is one of the nation's most widely used and cost-effective insulation products. It is the only high thermal board stock insulation that has third party certification of its thermal performance which can be important factor to a building owner seeking to achieve certification of their building's performance.

In addition to the whole building performance deduction, Congress also provided a partial deduction of .60 cents per square foot for building owners who improve one of the following

systems – building envelope, HVAC or lighting – by a designated percentage set by the IRS in their guidelines. The complete requirements can be found at:

http://www.energytaxincentives.org/IRS_guidance_comml_bldgs_06_52.pdf.

About PIMA

PIMA is the national trade organization that advances the use of polyiso insulation, one of the most widely used and cost-effective insulation products in North America. PIMA's membership consists of manufacturers and marketers of polyiso insulation, as well as suppliers to the industry. For more information about economic benefits of high thermal performing roofs, please visit the PIMA Web site at www.polyiso.org, or call 301-654-0000.