

COMMERCIAL BUILDINGS DEDUCTION BENEFITS

According to the U.S. Department of Energy, lighting represents 40% of the average commercial building's electric bill, followed by motors/HVAC (40%) and other equipment (20%).

For years, energy-saving lighting solutions have been available that can reduce lighting energy costs while maintaining or potentially improving lighting quality. According to the Energy Cost Savings Council, energy-efficient lighting generates an average project payback period of 2.2 years and a 45% return on investment. Due to energy codes and common sense economics, energy-efficient lighting is becoming a common feature in new construction. Lighting is generally considered the easiest, most profitable investment in energy-saving building systems.

Single-Technology Projects	Average Project Payback Period (years)	Average Project ROI
Lighting	2.2	45%
Controls	2.3	43%
Motors & Drives	2.4	42%
HVAC	3.6	28%
Building Automation	5.9	17%

Source: ECSC

Lighting provides the highest return on investment, resulting in the fastest payback.

However, according to the Department of Energy, only 20% of existing U.S. commercial buildings feature some degree of upgraded lighting technology, while 80% continue to operate lighting systems installed before 1986.

The reason typically given is initial cost of changing out an older lighting system and replacing it with a newer one. Energy-efficient lighting typically costs more to purchase than standard lighting and necessitates skilled labor for its installation, even though it can offer significantly lower operating costs resulting in profitable cash flow via avoided costs.

To create a new incentive to accelerate market transformation, the National Electrical Manufacturers Association (NEMA) and the Natural Resources Defense Council (NRDC) collaborated to advocate an accelerated tax deduction for commercial buildings that reduce their demand for electric power beyond today's construction standard.

The Energy Efficient Commercial Buildings Deduction can enhance the financial attractiveness of investment in the most energy-efficient lighting technologies.

Ask your CPA or visit www.lightingtaxdeduction.org for more information.



PREMIUM QUALITY LIGHTING
1.800.323.8107 • FAX: 1.877.619.7053
www.pqlighting.com

©2009 PQL, Inc.