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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

# H. R.

To amend the Internal Revenue Code of 1986 to make permanent and modify the energy efficient commercial buildings deduction, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. REICHERT introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To amend the Internal Revenue Code of 1986 to make permanent and modify the energy efficient commercial buildings deduction, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ENERGY EFFICIENT COMMERCIAL BUILDINGS**  
4 **DEDUCTION.**

5 (a) DEDUCTION MADE PERMANENT.—Section 179D  
6 of the Internal Revenue Code of 1986 is amended by strik-  
7 ing subsection (h).

1 (b) ALLOCATIONS OF DEDUCTIONS.—Paragraph (4)  
2 of section 179D(d) of such Code is amended to read as  
3 follows:

4 “(4) ALLOCATION OF DEDUCTION FOR CERTAIN  
5 PROPERTY.—

6 “(A) PROPERTY HELD BY GOVERNMENTS  
7 AND NONPROFITS.—In the case of energy effi-  
8 cient commercial building property installed on  
9 or in property owned by a Federal, State, local,  
10 or Indian tribal government, or a political sub-  
11 division thereof, or by an organization that is  
12 described in section 501(c)(3) and exempt from  
13 tax under section 501(a), the Secretary shall  
14 promulgate a regulation to allow the allocation  
15 of the deduction to the person primarily respon-  
16 sible for designing the property in lieu of the  
17 owner of such property. Such person shall be  
18 treated as the taxpayer for purposes of this sec-  
19 tion.

20 “(B) ALLOCATIONS TO PARTNERSHIPS  
21 AND S CORPORATIONS.—In the case of an allo-  
22 cation of a deduction under this section to a  
23 partnership or S corporation, the Secretary  
24 shall by regulation or other guidance allow the

1 full benefit of a deduction allocated under this  
2 paragraph at the partner or shareholder level.”.

3 (c) **LOW-INCOME HOUSING EXCEPTION TO BASIS**  
4 **REDUCTION.**—Subsection (e) of section 179D of such  
5 Code is amended by inserting “(other than property placed  
6 in service in a qualified low-income building (within the  
7 meaning of section 42))” after “building property”.

8 (d) **CONFORMING AMENDMENTS.**—

9 (1) The heading for section 179D of such Code  
10 is amended by inserting “**AND MULTIFAMILY**”  
11 after “**COMMERCIAL**”.

12 (2) The item in the table of sections for part  
13 VI of subchapter B of chapter 1 of such Code relat-  
14 ing to section 179D of such Code is amended by in-  
15 serting “and multifamily” after “commercial”.

16 (e) **EFFECTIVE DATE.**—

17 (1) **IN GENERAL.**—Except as provided by para-  
18 graph (2), the amendments made by this section  
19 shall apply to property placed in service after De-  
20 cember 31, 2017.

21 (2) **EXCEPTION FOR PERMANENCY.**—The  
22 amendment made by subsection (a) shall apply to  
23 property placed in service after December 31, 2016.