



Independent Electrical Contractors

Industry Partner Spotlight: alliantgroup

IEC highlights one of our Bronze Industry Partners, alliantgroup, with a question-and-answer session with BRIAN AUMUELLER, Managing Director at alliantgroup.

1) How can electrical contractors qualify for valuable tax credits?

In our experience, the vast majority of electrical contractors do not realize the value of their day-to-day activities and, as a result, they are missing out on one of the more lucrative incentives offered under the tax code. The research and development (R&D) tax credit is one of the more generous incentives offered by the government, and electrical contractors are among the industries that stand to benefit.

While research and development is typically associated with white coats and laboratories, the R&D tax credit has a much more broad application, rewarding the applied science that occurs on a workshop floor or at a construction site. From the design and development activities to a number of different systems including: heating, ventilation, and air conditioning (HVAC) design, BIM modeling, construction equipment development and improvement, electrical system design, electrical insulation, value engineering means and methods, design for constructability, and much more – electrical contractors could potentially qualify for hundreds of thousands in both federal and state tax credits.

If your company has improved a product, process, or technique in the course of their daily activities, chances are you could benefit handsomely from the R&D tax credit.

2) My projects are public/government owned. Do they still qualify?

Your firm could potentially qualify for a major tax deduction under the Energy-Efficient Commercial Building Deduction, better known as section 179D of the tax code.

The 179D deduction benefits eligible designers and builders, including architects, engineers, contractors (electrical and mechanical), and energy service providers when they design a new energy-efficient construction or renovation for a government building. The definition of a government building under 179D is very broad and includes a variety of structures such as office buildings, factories, warehouses, parking garages, schools, universities, airports – basically, any structure that is built for any level of government.

Any business performing the above services on buildings at the federal, state, and local levels may receive a deduction of up to \$1.80 per square foot, an obvious financial benefit for builders and designers depending on the size and scope of the project. Eligibility requirements are also surprisingly simple as businesses need only to surpass 2001 ASHRAE standards – standards that most state codes already surpass. If your company has made any improvements to the interior lighting, HVAC, hot water systems, or enhancements to a building's envelope within the last three years to a government building, there is a very good chance you qualify for 179D.



Brian Aumuller is a Managing Director in alliantgroup's Boston office with more than 20 years of experience providing consulting services to CPAs and their clients. Brian specializes in federal and state tax credits and incentives, managing CPA firm relationships, and helping CPA firms identify qualified clients. Brian is a national practice leader with alliantgroup's software, architecture and engineering, and contractor practices and has worked with hundreds of small to mid-sized businesses in the area of Research & Development Tax Credits. He was the former COO at a regional consulting firm and was responsible for the strategic direction of the firm and setting business strategy for its clients.