

Notice 2006-52

Deduction for Energy Efficient Commercial Buildings

SECTION 5. DEFINITIONS

.01 Building Square Footage.

The sum of the floor areas of the conditioned spaces within the building, including basements, mezzanine, and intermediate-floored tiers, and penthouses with headroom height of 7.5 feet or greater.

Building square footage is measured from the exterior faces of exterior walls or from the centerline of walls separating buildings, but excludes covered walkways, open roofed-over areas, porches and similar spaces, pipe trenches, exterior terraces or steps, chimneys, roof overhangs, and similar features.

.02 Building within the Scope of Standard 90.1-2001.

A structure that—

(1) Is wholly or partially enclosed within exterior walls, or within exterior and party walls, and a roof, affording shelter to persons, animals, or property; and

(2) Is not a single-family house, a multi-family structure of three stories or fewer above grade, a manufactured house (mobile home), or a manufactured house (modular).

.03 Conditioned Space.

Any enclosed space within the building qualifying as cooled space, heated space, or indirectly conditioned space defined as follows:

(1) *Cooled Space.* An enclosed space that is cooled by a cooling system whose sensible output capacity exceeds 5 Btu per hour per square foot of floor area.

(2) *Heated Space.* An enclosed space that is heated by a heating system whose output capacity relative to the floor area exceeds 5 Btu per hour per square foot of floor area.

(3) *Indirectly Conditioned Space.* An enclosed space (other than a heated space or a cooled space) that is heated or cooled indirectly by being connected to adjacent space(s) and that satisfies either of the following conditions:

(a) The space's surface area that is adjacent to heated or cooled space multiplied by the weighted average U-factor of such adjacent surface area exceeds the space's surface area adjoining the outdoors, unconditioned spaces, and semi-heated spaces

(e.g., corridors) multiplied by the weighted average U-factor of such adjoining surface area; or

(b) The air from heated or cooled spaces is intentionally transferred (naturally or mechanically) into the space at a rate exceeding 3 air changes per hour (ACH).

.04 Qualified Computer Software.

Software that meets the following requirements:

(1) The software is included (at the time the certification is given) on the Department of Energy's published list of qualified software as described in section 6 of this notice.

(2) The software provides any information that regulations or other guidance require the taxpayer to file in connection with energy efficiency of property and the deduction allowed under § 179D.

(3) The software provides information that allows the user to document the energy efficiency features of the building and its projected annual energy costs.

.05 Qualified Individual.

An individual that—

(1) Is not related (within the meaning of §45(e)(4)) to the taxpayer claiming the deduction under § 179D;

(2) Is an engineer or contractor that is properly licensed as a professional engineer or contractor in the jurisdiction in which the building is located; and

(3) Has represented in writing to the taxpayer that he or she has the requisite qualifications to provide the certification required under section 4 of this notice (in the case of an individual providing the certification) or to perform the inspection and testing described in section 4.05 of this notice (in the case of an individual performing the inspection).

.06 Standard 90.1-2001.

ANSI/ASHRAE/IESNA Standard 90.1-2001, Energy Standard for Buildings Except Low-Rise Residential Buildings, developed for the American National Standards Institute by the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America