



Federal Tax Deduction

Commercial/Industrial Space Heating

Cambridge High Temperature Heating & Ventilating (HTHV) Products have Qualified for EAct Tax Deductions

Just like lighting, Cambridge heaters are an easy, prescriptive way to get big tax benefits

EAct Tax Deduction

The Energy Policy Act (EAct) provides tax incentives for use of very energy efficient space heating/ventilating equipment. Tax benefits are available for both new construction and existing buildings. Commercial and industrial building owners and lessees who purchase and install Cambridge HTHV Space Heaters can qualify for a federal tax deduction of up to \$0.60/sq. ft.

For government buildings, EAct allows all the tax savings to be passed on to the company responsible for designing the building's heating system.

Benefits

- Source of cash to fund energy reduction projects
- Reduced cost for Cambridge HTHV heating systems
- ROI can be less than 1 year based on energy savings plus tax benefits
- An independent tax services company with DOE certified engineers guarantees tax benefits and provides full audit defense at no charge
- Cambridge HTHV equipment provides an easy, prescriptive way to get EAct tax benefits for eligible buildings

Energy efficient S-Series and SA-Series HTHV products, with proprietary Cambridge burners, have qualified for EAct tax deductions.

Energy modeling by an independent consultant using building simulation software developed by U.S Department of Energy (DOE) documented HTHV systems used the least amount of energy for warehouses and other commercial/industrial buildings with large open spaces.

Energy modeling to IRS guidelines by certified engineering tax services firm pre-qualifies Cambridge S-Series and SA-Series HTHV Industrial Space Heaters for up to the full \$0.60/sq.ft. tax deduction when used in eligible buildings.



Eligible Expenses

The total expense to purchase, install and start up a Cambridge HTHV system for a new building qualifies for a tax deduction subject to a \$0.60/sq.ft. cap. The cost to remove an old heating system from existing buildings is also an eligible expense. Cambridge HTHV equipment placed in service from January 1, 2015 through December 31, 2016 qualify.

Maximum Allowable Tax Deduction

Building Size Sq. Ft.	Max. Deduction \$0.60/sq. ft.
50,000	\$30,000
100,000	\$60,000
250,000	\$150,000
500,000	\$300,000
1,000,000	\$600,000

Typical Buildings

- Warehouses
- Distribution Centers
- Manufacturing
- LEED Buildings

3 Simple Steps to Get Your Tax Deduction

Step 1: Cambridge will recommend a qualified, independent engineering tax services firm familiar with commercial/ industrial space heating equipment. They will do a fast, free feasibility study to determine your company's total tax benefits associated with installing a new Cambridge HTHV system in your new or existing building.

Step 2: For a fee, the tax services firm will guarantee the amount of your tax deduction, handle all the IRS certification requirements and provide unlimited audit support for their work. This includes energy modeling with IRS approved software and an onsite inspection by a qualified individual licensed in the jurisdiction where your building is located. They will also fill out all required tax forms for the tax deduction.

Step 3: Send forms to the IRS. If the deduction is being applied to federal taxes paid in previous years, you will receive a refund check.

More Tax Saving Options

- Up to \$1.80/sq. ft. EPAct tax deduction when Cambridge heaters are included with the installation of other energy saving systems, including lighting and building envelope.
- Additional state and local tax deductions can many times exceed the federal tax benefits.
- Engineering-Based Cost Segregation Studies allows a range of 25% to 40% reclassification of heating equipment from 39 or 27 year depreciation to 5, 7 and 15 year depreciation. For every \$100,000 reclassified, the cash benefit equates to about \$22,000.
- Pre-Renovation/Abandoned Property Studies may provide a windfall of additional depreciation and tax deductions to put more cash in your pocket.



Typical Example: 200,000 sq. ft. Steel Warehouse Facility, Columbus, OH

Owner replaces an existing warehouse heating system with more energy efficient Cambridge S-Series or SA-Series HTHV equipment.

RESULTS

Uses Less Energy and Lowers Operating Costs

- 35% energy savings
- \$100,000 annual reduction in utility bills

Federal Tax Benefits

- \$120,000 EPAct federal tax deduction
- \$42,000 tax refund
- Potential additional cash from cost segregation and pre-renovation studies

Payback

- 10 month payback on new heating system

Net Cash Benefit

- \$422,000 five year net cash benefit

