



Administrative Services Committee

Meeting Date: Tuesday, August 26, 2025

179D Allocation Letter – Trane Technologies

Department:	Central Services Department
Presenter:	Ron Lampkin
Caption:	Approve the request for Mayor's execution of the federal tax deduction (179D) Allocation Letter to Trane Technologies.
Background:	Trane Technologies Trane is eligible for a federal tax deduction (SECTION 179D) for their work completed towards the construction at the following property. TRANE was the turnkey service provider for this project: Augusta-Richmond County PACT Agreement. For Trane to move forward with applying for this federal program, they are required to receive a signature on an allocation letter from an authorized representation of Augusta-Richmond County. The allocation letter was presented to Lanetha Pitts, on July 21 st , 2025.
Analysis:	The Energy Efficient Commercial Building Deduction (179D) was enacted into law as part of the Energy Policy Act of 2005 to encourage the energy-efficient design and construction of new or renovated properties. Section 3 of IRS notice 2008-40 provides the special rule for government-owned buildings. The rule provides that in the case where the building is owned by a government agency, such as Augusta-Richmond County, the building owner may allocate the 179D deduction to eligible companies like TRANE that impact the HVAC/hot water systems, lighting, or building envelope systems during new construction and renovations. TRANE as the turnkey service provider provided designs and technical specifications for the installation of the building automation system and is therefore applying and eligible for 100% allocation of the deduction for their role as the turnkey service provider.
Financial Impact:	No cost to Augusta-Richmond County. This is a deduction line item that TRANE will write in on their 2025 federal tax return and will lower their taxable income.
Alternatives:	A – Approve the request B – Do not approve the request
Recommendation:	Approve the request for Mayor's execution of the federal tax deduction (179D) Allocation Letter to Trane Technologies.
Funds are available in the following accounts:	No cost to Augusta-Richmond County. This is a deduction line item that TRANE will write in on their 2025 federal tax return and will lower their taxable income.

