



Navigating Tax Code Changes: Securing Value in the Transition from IRA to OBBBA

Uncovering the Complexity of New Regulations

The transition from the Inflation Reduction Act (IRA) to the One, Big, Beautiful Bill Act (OBBBA) introduces a complex and evolving regulatory environment that directly impacts project viability, financial performance, and long-term planning. For building owners, architects, engineers, energy service providers, and organizations across the Municipal, University, School, and Hospital (MUSH) sectors, navigating these changes is not simply a compliance requirement—it is a strategic business imperative.

A thorough understanding of these regulatory shifts is essential to preserving value, mitigating risk, and maintaining a competitive advantage.

To maximize available tax credits and deductions, organizations must address several critical considerations:



Certification of Origin

Analyze how newly defined Domestic Content and FEOC requirements will dictate operations and supply chain strategy.



Energy Generation

Evaluate how modifications to Sections 45Y and 48E alter project financial viability.



Critical Deadlines

Verify if energy-efficient building improvements must be completed or commenced before June 30, 2026, to secure eligibility.



Renewable Project Sustainability

Determine if existing solar and wind projects maintain qualification for tax credits and direct pay under the new framework.



Turning Regulatory Change into Business Growth

Regulatory change presents both challenges and opportunities. Federal tax incentives remain powerful tools for driving investment, supporting expansion, and improving financial outcomes. However, organizations that fail to proactively manage these changes risk leaving significant capital unclaimed. That is where Ryan provides value.

As the recognized leader in tax recovery, Ryan partners with organizations to transform regulatory complexity into proven business opportunities. Our multidisciplinary team of experts, including certified public accountants, tax attorneys, and professional engineers, delivers end-to-end guidance to ensure clients capture every eligible credit and deduction.

2026: A Pivotal Year to Secure Incentives

Missing 2026 federal energy incentive deadlines will lead to a permanent loss of benefits.

Key regulatory deadlines and safe harbors:

- **FEOC Compliance Cut-Off (Renewable Energy):** Solar, wind, and other eligible projects must commence construction by December 31, 2025, to bypass FEOC screening and supply chain testing.
- **Section 45L Residential Credit:** Residential units must be leased or sold by June 30, 2026, to secure eligibility for this credit.
- **Section 179D Commercial Deduction:** Construction must commence by June 30, 2026, to align with the IRA safe harbor provisions.
- **Solar and Wind Grace Period (July 4, 2026):** Facilities must begin construction within 12 months of enactment to maintain Section 45Y and 48E eligibility, even if placed in service after 2027.
- **Clean Energy Credit Placement (45Y/48E):** Projects must be placed in service by December 31, 2027, to qualify for these credits, regardless of when construction started.

Maximizing Value Under Section 179D

Internal Revenue Code §179D provides a federal tax deduction of up to \$5.94 per square foot for qualifying energy-efficient improvements in commercial buildings. Eligible projects include new construction, renovations, and system upgrades such as lighting, HVAC, roofing, and building controls. To secure these valuable deductions, businesses must act decisively within the established timelines. Key actions include:

- Begin construction before July 1, 2026.
- Claim deductions when the building is placed in service in FY 2026, 2027, or 2028.
- Obtain executed allocation of letters as early as possible to preserve eligibility.
- Act now to claim deductions for projects placed in service during 2022 and avoid permanent forfeiture.

Ryan has already begun advising organizations to initiate §179D evaluations early. As demand increases, early engagement is critical to securing certification capacity and avoiding missed filing windows.

In 2026, energy efficiency investments represent a compelling financial strategy, driven by both economic conditions and favorable tax policy. When paired with Section §179D, qualifying upgrades can materially reduce project costs, accelerate payback periods, and enhance after-tax returns.



Several market factors reinforce the financial case:

- **Escalating energy costs:** Rising utility costs directly threaten operating margins. Efficiency upgrades provide a strategic lever to slash expenses and secure long-term cash flow.
- **Improved technology returns:** High-efficiency systems and automation have matured, allowing projects to achieve §179D thresholds with minimal additional capital investment.
- **Capital alignment with ESG:** Investor and lender scrutiny pushes organizations to allocate capital toward projects that ensure measurable efficiency while maintaining strict financial discipline.
- **Modernization of aging assets:** By bundling deferred maintenance with §179D-eligible improvements, organizations can modernize portfolios while federal deductions significantly lower net project costs.

This unique convergence of regulatory incentives, financial efficiency, and capital optimization makes 2026 the ideal time to act. Energy-efficient upgrades are no longer a discretionary expense—they are a high-impact strategy for maximizing capital.

Driving Results with Precision and Impact

An integrated approach is essential to delivering certainty, efficiency, and measurable results. With expert guidance, organizations can recover overpaid taxes, maximize incentives, and simplify complex compliance workflows. By turning tax compliance into a strategic asset, businesses gain a competitive edge and drive sustainable growth.

Act Now to Maximize Tax Incentives

These time-sensitive incentives can quickly lose value. Request a consultation to protect your investments and maximize opportunities.



Award-Winning Tax Services

For additional information

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