

U.S. Senators Introduce Mechanical Insulation Installation Incentive Act of 2013

On April 22, U.S. Senators Kirsten Gillibrand (D-NY) and Mike Johanns (R-NE) reintroduced legislation to incentivize commercial and industrial entities to go beyond current insulation requirements as defined by ASHRAE. The bill, entitled the *Mechanical Insulation Installation Incentive Act of 2013*, or S.775, would establish a tax credit for commercial buildings as well as industrial and manufacturing facilities including power plants, refineries, hospitals, schools, and universities in order to promote the use of mechanical insulation.

“Investment in energy efficiency is a vital part of our economic recovery,” Senator Gillibrand said. “This legislation would make mechanical insulation more accessible and affordable—helping to cut harmful emissions, improve the environment, lower energy bills, and create good-paying jobs right here at home. This program makes good sense for our economy and environment.”

The National Insulation Association (NIA) and the NIA Foundation for Education, Training, and Industry Advancement have been aggressively supporting and advocating for this tax incentive for mechanical insulation. Our leadership, along with the International Association of Heat and Frost Insulators and Allied Workers, and other organizations, has worked closely with members of Congress to highlight the importance of this bill and also to educate congressional representatives on the significant economic and environmental benefits of mechanical insulation.

Mechanical insulation is proven to be an excellent tool for increasing efficiency, reducing energy costs, and creating jobs. The *Mechanical Insulation Installation Incentive Act of 2013* would establish a 30 percent tax deduction to promote the use, or maintenance, of mechanical insulation in commercial and industrial projects. The bill would also allow businesses to increase the depreciation deduction for the incremental insulation cost based on the percentage of energy saved above the minimum requirements. This act has the potential to help create more than 89,000 sustainable jobs for the installation and maintenance of mechanical insulation systems. This bill is a companion to H.R. 184, the *Mechanical Insulation Installation Incentive Act of 2013*, introduced January 4, 2013 in the House of Representatives by Representative Michael Grimm (R-NY).

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NIA is a not-for-profit trade association representing both merit (open shop) and union contractors, distributors, laminators, fabricators, and manufacturers that provide thermal insulation, insulation accessories, and components to the commercial, mechanical, and industrial markets throughout the nation. Since 1953, the northern Virginia-based association has been the voice of the insulation industry and is dedicated to keeping the commercial and industrial insulation industry up to date on the latest industry trends and technologies. For more information, visit www.insulation.org.