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November 4, 2022

Internal Revenue Service  
United States Department of the Treasury  
Ben Franklin Station  
P.O. Box 7604, Room 5203  
Washington, D.C., 20044

Re: Request for Comments on Incentive Provisions for Improving the Energy Efficiency of Residential and Commercial Buildings, Notice 2022-51

Dear Secretary Yellen and Commissioner Rettig:

We appreciate the opportunity to provide commentary on the Residential and Commercial tax credits contained in the Inflation Reduction Act (IRA). The comments below are the result of our experience and expertise in the Construction and Building Science field. Our comments support the benefits building efficient market rate and affordable and low- or moderate income housing. Guidance and clarification is needed on the ability to “stack” of tax credits/deductions with other tax credits and/or with rebate programs. This submission also includes several recommendations that are key to ensuring that the Inflation Reduction Act (IRA) tax credits can be utilized by both market rate and affordable housing and low-and-moderate-income households, as intended by statute. We want to ensure these tax credits can be leveraged by more builders and developers so as not to miss a golden opportunity to improve ALL new multi-family buildings, rather than a select few.

**Notice 2022-051**

**.01 Prevailing Wage Requirement**

- (1) Section 45(b)(7)(A) provides that a taxpayer must ensure that any laborers and mechanics employed by the taxpayer, or any contractor or subcontractor, are paid wages at rates not less than the prevailing wage rates for construction, alteration, or repair of a similar character in the locality in which such facility is located as most recently determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, which is commonly known as the Davis-Bacon Act. Is guidance necessary to clarify how the Davis-Bacon prevailing wage requirements apply for purposes of § 45(b)(7)(A)?

**Proposed Response:**

- Guidance and clarification for the Prevailing Wage requirement for Multi-family Buildings is requested. First, we recommend that a distinction be made between Low-rise Multi-family Buildings (3-stories or less) and Mid-High Rise Multi-family Buildings (greater than 3-stories), consistent with the International Energy Conservation Code (IECC), as published by the International Code Council (ICC) which utilizes such distinction to define Residential and Commercial energy standards. Secondly, we proposed that a waiver be provided for Low-rise Multi-family Buildings so that Prevailing Wages, in accordance with subchapter IV of chapter 31 of title 40 (Davis-Bacon Act) would not be required for such buildings.

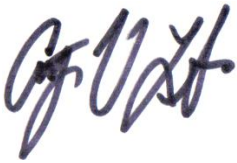
- It is our belief that such a clarification would strike a reasonable balance for builders of small, Low-rise Residential Buildings to remain cost competitive and provide a critical incentive to construct both market rate and affordable projects to “above code” energy efficiency standards. The requirement for Prevailing Wage for Low-rise Multi-family Buildings will outweigh the value of the intended incentive.

Thank you for your consideration.

Sincerely,



Pasquale Strocchia



Anthony V. Lisanti CEM, CPHC

