

New Markets Tax Credit Bulletin

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AMT Relief for NMTC Investors Clears House

Last night the House passed an almost \$20 billion package of small business and other tax provisions on a vote of 246-178. The *Small Business and Infrastructure Jobs Tax Act of 2010* (H.R. 4849) cleared the House Ways and Means Committee last week and allows investors subject to the Alternative Minimum Tax (AMT) to offset their tax liability with New Markets Tax Credit (NMTC) investments. This is a provision the NMTC Coalition and Administration have pursued aggressively since it will serve to attract more investors to the program and create a more diverse, competitive, and efficient investor market.

Separately, both the House and Senate have passed extension of New Markets through December 31, 2010 at \$5 billion in additional credit authority, but no decision has been made regarding how to reconcile the two versions of the tax extender bills and the more recently passed small business tax bills.

It is likely the extender and small business bills will be combined and passed en masse, although the House and Senate are struggling to reach consensus on offsets to pay for the changes. Tomorrow Congress adjourns for a two week recess period, so no action will occur until early April when tax filing season is in full force.

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