

# New Markets Tax Credit Bulletin

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## House Committee Passes AMT Relief for NMTC Investors

Today the House Ways and Means Committee held a mark-up of H.R. 4849, the *Small Business and Infrastructure Jobs Tax Act of 2010* and passed the bill and reported it to the House with a vote of 25-15. In response to calls from the NMTC Coalition and Administration officials, this bill allows investors subject to the Alternative Minimum Tax (AMT) to offset their tax liability with New Markets Tax Credit (NMTC) investments.

The NMTC Coalition has asserted that allowing NMTC investments to offset AMT will serve to attract new investors to the program, particularly small and medium sized banks, and thereby contribute to a more diverse, competitive, and efficient investor market. NMTC investments may now be claimed against the AMT for qualified equity investments made after March 15, 2010 through January 1, 2012.

Other small business and infrastructure incentives provided in H.R. 4849 include 100% exclusion of small business capital gains through January 1, 2012, ability of Indian tribes to issue tax-exempt private activity bonds for sewage and water supply facilities, and extension of the Low Income Housing direct payment in lieu of tax credits to owners of these tax-exempt bond-financed buildings. A copy of H.R. 4849 is attached here.

House Ways and Means Committee Chairman Sander Levin (D-MI) during the markup this afternoon said that he would like to go to conference with the Senate on the jobs bill they just passed this morning and use it as a vehicle to deal with pensions and extenders. The Senate bill passed with a vote of 68-29 and provides various incentives for new hires, federal transportation programs and extension of unemployment insurance. With one week left before Congress goes into recess, the hope is to get an agreement after recess in early April.

Separately, both the House and Senate have passed extension of New Markets through December 31, 2010 at \$5 billion in additional credit authority. The NMTC Coalition is continuing to explore opportunities and will continue to work to extend the NMTC through 2011 with an additional \$5 billion in annual credit authority as the House and Senate work to

reconcile their two versions of small business and tax extender bills.

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