

Fact Sheet: The New Markets Tax Credit (NMTC) Extension Act

H.R. 1098: Leads: Reed (R-NY) & Neal (D-MA)

S. 384: Leads: Blunt (R-MO) & Cardin (D-MD)

To cosponsor, contact Elise Tollefson with Reed (Elise.Tollefson@mail.house.gov) or Aruna Kalyanam (Aruna.Kalyanam@mail.house.gov) with Neal.

To cosponsor, contact Tracy Henke (Tracy_Henke@blunt.senate.gov) with Blunt or Beth Bell (Beth_Bell@cardin.senate.gov) with Cardin.

Summary

- Provides an indefinite extension of the NMTC, which expires in 2019.
- Provides an increase in the annual NMTC allocation and indexes future allocation to inflation.

History and Purpose

- The NMTC was authorized in the Community Renewal Tax Relief Act of 2000 (PL 106-554) as part of a bipartisan effort to stimulate investment and economic growth in low income urban and rural communities. By providing a modest tax incentive to private investors, the NMTC increases the flow of capital to businesses and low-income communities.
- NMTC investors receive a tax credit equal to 39 percent of the total Qualified Equity Investment made in a Community Development Entity with the Credit realized over a seven-year period, amounting to 5 percent annually for the first three years and 6 percent in years four through seven. If an investor redeems the NMTC investment before the seven-year term has run its course, all Credits will be recaptured with interest.

Economic Impact

- NMTC investments of \$42 billion have generated \$80 billion total project financing and about 1,000,000 jobs¹, at a cost to the federal government of less than \$20,000 per job.
- More than 72 percent of all NMTC investments have been in communities exhibiting severe economic distress, and in 2017, 23 percent of NMTC projects were in rural areas.
- More than a billion dollars annually goes to community facilities, including nearly 2,000 hospitals, schools, daycare centers, treatment facilities, and other service providers.
- Nearly 1,000 manufacturing and industrial businesses received billions in project financing.
- An independent compliance review recently found that program participants are significantly lowering the cost of capital for borrowers in low-income communities and exceeding statutory and regulatory requirements for the targeting of economic distress.²

For more information on NMTC outcomes and projects by state, visit: nmtccoalition.org/state-fact-sheets

¹ The NMTC Economic Impact Report (2003-2015), NMTC Coalition (December 2017).

² Compliance Review of New Markets Tax Credit Program, Summit Consulting (August 2017).

HR.1098 cosponsors—Updated 7/10/2018

Abraham, Ralph Lee [R-LA]	Beatty, Joyce [D-OH]	Ryan, Tim [D-OH]
Bilirakis, Gus M. [R-FL]	Blumenauer, Earl [D-OR]	Sablan, Gregorio [D-MS]
Brooks, Susan W. [R-IN]	Capuano, Michael [D-MA]	Sanchez, Linda T. [D-CA]
Buchanan, Vern [R-FL]	Carson, Andre [D-IN]	Schakowsky, Janice D. [D-IL]
Chabot, Steve [R-OH]	Cartwright, Matt [D-PA]	Sewell, Terri A. [D-AL]
Comstock, Barbara [R-VA]	Castor, Kathy [D-FL]	Shea Porter, Carol [D-NH]
Curbelo, Carlos [R-FL]	Costa, Jim [D-CA]	Sinema, Kyrsten [D-AZ]
Diaz Balart, Mario [R-FL]	Cicilline, David N. [D-RI]	Sires, Albio [D-NJ]
Gibbs, Bob [R-OH]	Clarke, Yvette D. [D-NY]	Swalwell, Eric [D-CA]
Graves, Garret [R-LA]	Crist, Charlie [D-FL]	Thompson, Mike [D-CA]
Harper, Greg [R-MS]	Cummings, Elijah E. [D-MD]	Welch, Peter [D-VT]
Holding, George [R-NC]	Davis, Danny K. [D-IL]	Yarmuth, John A. [D-KY]
Jenkins, Lynn [R-KS]	DeFazio, Peters A. [D-OR]	
Johnson, Bill [R-OH]	DelBene, Suzan K. [D-WA]	
Joyce, David P. [R-OH]	DeSaulnier, Mark [D-CA]	
Kelly, Mike [R-PA]	Doyle, Michael F. [D-PA]	
King, Peter [R-NY]	Ellison, Keith [D-MN]	
Long, Billy [R-MO]	Esty, Elizabeth H. [D-CT]	
McKinley, David B. [R-WV]	Fudge, Marcia [D-OH]	
Meehan, Patrick [R-PA]	Gutierrez, Luis V. [D-IL]	
Messer, Luke [R-IN]	Hastings, Alcee [D-FL]	
Paulsen, Erik [R-MN]	Higgins, Brian [D-NY]	
Palazzo, Steven M. [R-MS]	Kaptur, Marcy [D-OH]	
Posey, Bill [R-FL]	Kildee, Daniel [D-MI]	
Reed, Tom [R-NY]	Kind, Ron [D-WI]	
Renacci, James B. [R-OH]	Krishnamoorthi, Raja [D-IL]	
Rogers, Harold [R-KY]	Larson, John B. [D-CT]	
Rokita, Todd [R-IN]	Lofgren, Zoe [D-CA]	
Rooney, Thomas J. [R-FL]	McCollum, Betty [D-MN]	
Ross, Dennis [R-FL]	McGovern, Jim [D-MA]	
Smith, Jason [R-MO]	Neal, Richard E. [D-MA]	
Smucker, Lloyd [R-PA]	Nolan, Richard M. [D-MN]	
Stivers, Steve [R-OH]	Norton, Eleanor Holmes [D-DC]	
Turner, Michael R. [R-OH]	O'Halleran, Tom [D-AZ]	
Upton, Fred [R-MI]	Pascarell, Bill, Jr. [D-NJ]	
Valadao, David G. [R-CA]	Payne, Donald Jr. [D-NJ]	
Wagner, Ann [R-MO]	Peterson, Collin C. [D-MN]	
Wenstrup, Brad [R-OH]	Pingree, Chellie [D-ME]	
Yoho, Ted S. [R-FL]	Pocan, Mark [D-WI]	
Young, Don [R-AK]	Price, David E. [D-NC]	
	Richmond, Cedric [D-LA]	

S. 384 cosponsors

Blunt, Roy [R-MO]	Cardin, Benjamin L. [D-MD]
Portman, Rob [R-OH]	Cantwell, Maria [D-WA]
Capito, Shelly Moore [R-WV]	Schumer, Charles E. [D-NY]
Wicker, Roger [R-MS]	Gillibrand, Kirsten E. [D-NY]
Daines, Steve [R-MT]	Brown, Sherrod [D-OH]
Boozman, John [R-AR]	Stabenow, Debbie [D-MI]
Hyde-Smith, Cindy [R-MS]	Smith, Tina [D-MN]
	Van Hollen, Chris [D-MD]