

Congress of the United States
Washington, DC 20515

Dear Colleague:

We write to urge you to join us as a cosponsor of HR 1098, the New Markets Tax Credit (NMTC) Extension Act of 2017. The PATH Act extended NMTC through 2019. HR 1098 provides a permanent authorization for the credit with \$5 billion in annual credit authority, which is adjusted for inflation, and an exception from the Alternative Minimum Tax (AMT) for NMTC investments.

Earlier this month, the New Markets Tax Credit Coalition released its annual New Markets Tax Credit Progress Report. The report documents the flexibility and impact of the NMTC in 2017 in meeting the capital needs of businesses in distressed rural and urban communities. Projects that benefitted from the credit in the past year include rural and urban manufacturers, small business loan funds, health clinics, schools, and rural broadband expansions.

The Coalition's annual survey asks Community Development Entities (CDEs) to report on the deployment of their allocation, investor trends, and a variety of community impact metrics. The findings clearly demonstrate that the NMTC continues to deliver capital to areas of deep distress. For example, 83 percent of projects were located in severely distressed communities in the last year, which far exceed the statutory requirements for economic distress. Furthermore, 81 percent of projects were located in census tracts experiencing a recent spike in unemployment or poverty.

The survey findings show that competition for credits continues to drive gains in efficiency. The data collected shows that CDEs used \$4.8 billion in NMTC allocation in 2017, which allowed for the financing of 271 NMTC projects, creating well over 60,000 jobs in communities left behind by the growing economy.

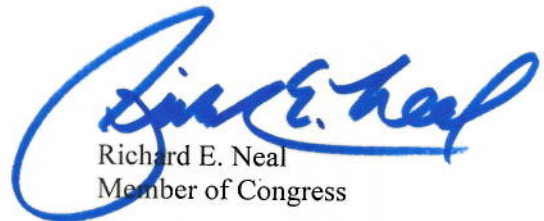
For these reasons, we are enthusiastic supporters of the NMTC. We have seen first-hand how the credit has spurred revitalization efforts in New York and Massachusetts. It is for that reason that we introduced the New Markets Tax Credit Extension Act of 2017, making permanent the NMTC program.

We urge you to read the report, which is available at <http://nmtccoalition.org/progress-report/> and then join us in supporting the NMTC program by cosponsoring HR 1098. For additional information or to sign on, please contact Logan in Congressman Reed's office at Logan.Hoover@mail.house.gov or x5-3161 or Kara in the Ways and Means Committee at Kara.Getz@mail.house.gov or x5-5601.

Sincerely,



Tom Reed
Member of Congress



Richard E. Neal
Member of Congress