

**FOR IMMEDIATE RELEASE**

**July 21, 2015**

**Contact: Bob Rapoza**

[bob@rapoza.org](mailto:bob@rapoza.org)

(202) 393-5225



## **Bipartisan Support for Federal New Markets Tax Credit Grows**

*Senate Finance Committee Includes Extension and Inflation Adjustment for NMTC*

**WASHINGTON, D.C.** –The Senate Finance Committee takes up tax extenders today, including action on the New Markets Tax Credit (NMTC). Signaling strong bipartisan support for this proven community development tool, Chairman Orrin Hatch (R-UT) released a [modified Chairman’s mark](#) this morning, which includes an amendment offered by Senator Cardin (D-MD) to increase the total NMTC allocation from \$3.5 billion to \$3.94 billion for 2015 and 2016.

“The New Markets Tax Credit is a tested and proven economic development tool. However, inflation has reduced the NMTC by 12 percent from 2008 to 2015,” said Bob Rapoza, spokesman for the NMTC Coalition. “The amendment provides what amounts to an inflation adjustment—the first increase in a number of years. We are pleased the Finance Committee has proposed action to extend and increase this critically important resource for job creation and local economic growth.”

U.S. Department of Treasury data indicates the NMTC has generated over \$70 billion in capital investment—an unprecedented level of investment in economically distressed communities. This investment has resulted resulting in the creation nearly 750,000 jobs, expanding opportunities for credit-starved businesses and revitalization projects in communities with high poverty and unemployment rates since 2003.

There is currently legislation pending in the House and Senate to make the NMTC permanent, increasing annual credit authority and exempting NMTC investments from the Alternative Minimum Tax, bringing the Credit into parity with other similar tax credits. These bills are as follows:

- [S. 591](#), introduced by Senators Blunt (R-MO) and Schumer (D-NY); and
- [H.R. 855](#), by Representatives Tiberi (R-OH), Neal (D-MA), and Reed (R-NY).

Support from other legislators and decision-makers include a call for permanency in the [President’s 2016 Budget](#), a bipartisan letter signed by [55 Members of the House of Representatives](#) that was sent to the Committee on Ways and Means last month, and a [resolution](#) in support of the NMTC that was adopted at the [83rd Annual Meeting of the US Conference of Mayors](#).

This past May, a [letter](#) signed by more than 1,600 businesses, investors, and nonprofit and for-profit organizations from across the country was also sent to Congress, calling for immediate action to extend the currently expired NMTC. Examples of [projects](#) and [state-specific data](#) can be found on the Coalition’s website.

###

***About New Markets Tax Credit Program***

The New Markets Tax Credit was enacted in 2000 in an effort to stimulate private investment and economic growth in low-income urban neighborhoods and rural communities that lack access to the patient capital needed to support and grow businesses, create jobs, and sustain healthy local economies. The NMTC is a 39 percent federal tax credit, taken over seven years, on investments made in economically distressed communities. Today due to NMTC, some \$70 billion is hard at work in underserved communities in all 50 states, the District of Columbia, and Puerto Rico.