

NEW MARKETS TAX CREDIT COALITION

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NEW MARKETS TAX CREDIT PROVIDES ECONOMIC BOOST, BUSINESS GROWTH AND MORE JOBS FOR HARD-HIT RURAL AND URBAN AREAS

Washington, D.C. – As access to capital remains an obstacle to business growth and community development, new analysis shows that the New Markets Tax Credit program (NMTC) is successfully driving investment to areas hardest hit by the recession. According to the data, over \$4.4 billion in NMTC-related capital was generated and invested in projects and businesses in underserved communities across America in 2010.

The report – prepared by the New Markets Tax Credit Coalition – outlines the impact of the Credits on starved small and medium-sized businesses, and the jobs and expanded opportunities that it created last year.

“The New Markets Tax Credit remains one of the most cost-effective ways to create jobs and drive investment in areas with high rates of poverty and unemployment,” said Annie Donovan, president of the New Markets Tax Credit Coalition. “This report underscores the critical role that the Credits play in attracting private-sector capital and continuing our nation’s economic recovery.”

Enacted in 2000, the NMTC program provides federal tax credits to investments made in the poorest areas in the country. The report found that the demand for Credits continued to rise in light of the current economic climate. In 2010, investments totaled \$4.4 billion, which is a 50 percent increase over 2009 and the most ever in a single year.

Financing under New Markets is limited to those census tracts with high rates of poverty and low median incomes. To qualify, investments must be made in areas where the individual poverty rate is at least 20 percent or where median family income does not exceed 80 percent of the area median.

Survey results show that 96 percent of NMTC investments in 2010 were located in communities with at least one factor of higher economic distress than required by law, including:

- 50 percent (\$1.53 billion) to census tracts with unemployment rates at least 1.5 times the national average;
- 45 percent (\$1.38 billion) to census tracts with lower median incomes than required; and
- 44 percent (\$1.33 billion) to census tracts with poverty rates at or greater than 30 percent.

Last year, deployed NMTC capital created hundreds of jobs and helped develop manufacturing, retail, healthcare and community space. Since the program’s enactment, 4,000 businesses and projects have been financed and an estimated 500,000 jobs have been created or retained.

For the full report and case studies, go to: <http://nmtccoalition.org/new-markets-tax-credit/reports-case-studies/>

About New Markets Tax Credit Program

The New Markets Tax Credit program is a cost-effective way to create jobs and drive investment in communities with high rates of poverty and unemployment. Enacted in 2000, the program uses federal tax credits equaling 39 percent of the investment allocated over a seven-year period. These investments are made to spur community and economic revitalization. Today due to NMTC, more than \$50 billion of capital is hard at work in underserved communities in all 50 states, the District of Columbia, and Puerto Rico.

About New Markets Tax Credit Coalition

The NMTC Coalition is a national membership organization that includes representatives from over 150 institutions, and conducts research on and advocacy for the New Markets Tax Credit Program. The coalition hosts two annual conferences and regularly publishes the NMTC Bulletin. To learn more, please visit www.nmtccoalition.org