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Community Development Leaders Gather in Washington, DC to Discuss Tax Policy Trends and Plans for 2017

Coalition brings together over 100 NMTC stakeholders for a policy conference and releases new report on the economic impact of the NMTC in 2015

WASHINGTON, D.C. (June 3, 2016) — This week, the New Markets Tax Credit (NMTC) Coalition held its New Markets Tax Credit Annual Policy Conference. The event featured the release of the new 2016 NMTC Progress Report—the twelfth edition of the report—and a luncheon keynote by the Treasury Department's Community Development Financial Institutions (CDFI) Fund Director Annie Donovan.

The NMTC Coalition's Board President Robert Davenport, emceed the event. A longtime NMTC practitioner and president of the National Development Council, he noted recent successes in improving access to credits for communities in need of economic revitalization.

"This year's policy conference comes at an exciting time for the NMTC community, with December 2015 passage of the PATH Act, which provided a five-year extension of the credit—the largest NMTC extension in the program's history. And, adding to this accomplishment, the CDFI Fund announced in April that it would combine the Calendar Year 2015 and 2016 rounds, providing $7 billion in awards later this year. This is the largest allocation in the history of the NMTC and will add a much-needed injection of capital for projects in distressed communities."

Panels included senior Treasury and CDFI Fund staff, experts on NMTC and the law, a panel on engaging community leaders and media in new project announcements, and an investor roundtable. During the session on the new NMTC Progress Report, the attendees learned about emerging trends in the field and the types of projects that are being done.

While there has been a national decline in manufacturing over the past several decades, which has been well documented during this presidential campaign, the survey data featured in the Progress Report shows the NMTC is increasingly being used to bring manufacturing jobs back to America. In fact, the report notes that in 2015, a record 30 percent of NMTC financed projects involved the financing of industrial facilities, waste recycling centers, and cutting-edge green-tech businesses. The report notes that over 80 percent of NMTC projects in 2015 were located in severely distressed communities, and it highlights NMTC investments in manufacturing facilities, health centers, and schools in the two convention cities, Cleveland and Philadelphia.

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Department of Treasury data shows the credit has generated over $75 billion in investments to low income communities and led to more than 750,000 jobs since 2003. With a tax overhaul possible in 2017, NMTC supporters are making the case to legislators and the presidential candidates that the credit is an indispensable part of pro-growth tax reform.

“The NMTC meets an important and critical need for private-sector investment in economically distressed urban and rural communities,” said Bob Rapoza, spokesperson for the NMTC Coalition. “This directly correlates with the program’s solid bipartisan support in Congress, including a letter that was signed by 55 Members of the House last week, urging permanency for the NMTC.”

More information on the congressional sign-on letter and hearings being held on tax reform provisions can be found on the Coalition’s blog.

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, more than $75 billion is hard at work in underserved communities in all 50 states, the District of Columbia, and Puerto Rico. For more information, visit www.NMTCCoalition.org.