

# New Markets Tax Credit Coalition

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## **A Decade Later: New Markets Tax Credit Created Half A Million Jobs**

*Newly Released Data Sheds Light on Impact of Credit, Underscores Potential Impact of Looming Expiration*

**Washington, D.C.** – This year marked 10 years since the first [New Markets Tax Credit](#) (NMTC) projects were financed. Data from the program’s first 10 years – including new numbers just released last week—indicates the NMTC has created more than 550,000 jobs and leveraged over \$60 billion in capital for economically distressed rural and urban communities.

“This new data reinforces what we already know – that the New Markets Tax Credit is having a substantial and meaningful impact on underserved communities throughout the country,” said New Markets Tax Credit Coalition President Jose Villalobos. “In the decade since its implementation, this Credit has put more than half a million people in areas plagued by low incomes and high unemployment back to work, stimulating economic development and revitalizing their communities in the process.”

The announcement came during the [New Markets Tax Credit Coalition’s annual conference](#) last week in Washington, D.C., amidst the final stages of the first year of the very contentious 113th Congress. With the expiration of the Credit looming at the end of this month, Rep. Richard Neal (D-Mass.), who sits on the House Ways and Means Committee, delivered a keynote address during the event and expressed his optimism that the New Markets Tax Credit would be extended, and would survive any efforts to reform the tax code, as well.

“I think the New Markets initiative, because it uses the code so skillfully, has a great standing on both sides of the aisle,” Neal said.

In addition to Rep. Neal’s keynote, the conference included presentations and panel discussions featuring Treasury Department officials, and industry experts, who offered their insights on prospects for tax reform in this Congress, as well as an investor roundtable, designed to provide conference participants with insight into investor views on the Credit. All of these discussions underscored the vital role of the New Markets Tax Credit in helping stimulate private investment in capital-starved communities, kick-starting their economies, revitalizing their neighborhoods and creating much-needed jobs in a way that might otherwise have been elusive, if not impossible.

“In my experience, the New Markets Tax Credit enables impactful projects that otherwise would have no pathway to move forward, to come to fruition,” said Judith Kende, Senior Vice President of the Low Income Investment Fund, on a [media call](#) during the conference. “These projects create critical jobs, provide important goods and services and help transform low income communities.”

During the call, Clearinghouse CDFI President and CEO Doug Bystry underscored this point when he shared how his organization recently helped finance an expansion and renovation for Nevada’s largest animal shelter and adoption center.

“The planned construction of an eight-acre campus in the Las Vegas area will alleviate overcrowding by creating a new adoption center, as well as establishing an education wing within the administration building,” said Bystry. “The project will create over 100 construction jobs, as well as several new permanent employment opportunities and hundreds of volunteer opportunities for the surrounding communities. It will also provide important health and safety services to residents throughout Las Vegas and southern Nevada.”

Meanwhile, CEI Capital Management CEO Charlie Spies painted a broader picture of his organization’s impact through the Credit.

“The New Markets Tax Credit has enabled us to provide over \$700 million in funding for almost 80 businesses and economic development projects, in Maine and throughout rural America,” said Spies. “These investments led to the creation of nearly 7,000 jobs, helping create economically and environmentally healthy communities in which all people, especially those with low incomes, can reach their full potential.”

The current authorization for New Markets Tax Credit expires on December 31, 2013. Unless Congress acts to extend the NMTC, businesses and communities across the country will lose this important, and, in many instances, only source of capital.

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### ***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 \$60 billion 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 of Community Development Entities and investors organized to conduct research on and advocacy for the New Markets Tax Credit. The Coalition hosts two annual conferences and regularly publishes the NMTC Bulletin. To learn more, please visit [www.nmtccoalition.org](http://www.nmtccoalition.org).