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New Markets Tax Credit Coalition

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New Report Demonstrates Widespread Impact of Expired Federal Tax Credit Program on Economically Distressed Communities

*New Markets Tax Credit Responsible for Creating a 'Significant Share' of All Jobs
Created in America in 2013, Finds 2014 NMTC Progress Report*

WASHINGTON, D.C. – The New Markets Tax Credit (NMTC) was responsible for creating more than 54,000 jobs last year, according to a new report released by the [NMTC Coalition](#). The *2014 NMTC Progress Report*, which the Coalition released today during its annual Policy Conference, details how the NMTC was used and the impact it had, including job creation, on economically distressed communities in the previous calendar year. Also included are profiles from a handful of NMTC projects – ranging from a manufacturing facility in South Carolina to a retail center in Michigan, and a community health clinic in Colorado to a charter school in New York – taking the aggregate analysis and putting it in context.

“These projects illustrate how a diverse group of community development entities (CDEs) are using the NMTC to attract investors, finance business and development activities, and generate tangible economic impacts that benefit low income rural communities and urban neighborhoods across the country,” said Bob Rapoza, spokesperson for the NMTC Coalition.

Like its predecessors, this year’s Progress Report, the tenth such annual publication, offers updated investment and transaction information from NMTC Allocatee survey respondents for the previous calendar year (2013). It includes data from 64 Community Development Entities (CDEs), representing \$17.1 billion in total allocations from 2003 through 2013. In the last calendar year, the respondents reported \$4.9 billion in total project financing that helped finance 280 businesses and create 54,643 jobs in economically distressed communities. While all of these investments were made in qualified low income communities, the Report notes that 80 percent of these investments were made in severely distressed communities, with 56 percent in areas with unemployment rates of at least 1.5 times the national average.

The NMTC expired on December 31, 2013. Reauthorization efforts for the NMTC, as well as other 54 other expired tax credits, stalled in the Senate last month due to procedural hurdles. In the House, the Committee on Ways and Means is in the process of reviewing individual provisions; the NMTC is expected to be taken under consideration. Meanwhile, bills to provide a permanent authorization for the NMTC have been introduced in both the House and Senate, respectively The [New Markets Tax Credit Extension Act of 2014](#) (H.R. 4365) and the [New Markets Tax Credit Extension Act of 2013](#) (S. 1133).

“This is an important financial tool that communities nationwide are using to revitalize their local economies. The NMTC has resulted in an unprecedented level of investment in communities left outside the economic mainstream,” Rapoza said. “For many rural and urban communities, the NMTC is the only opportunity available for credit-starved, small- and medium-sized businesses.”

The *2014 Progress Report* is just one of the topics being discussed at the Policy Conference today, where attendees include CDEs, investors and stakeholders from across the country that are engaged with NMTC work in their communities. The Conference provides a forum for attendees to hear directly from members of Congress, including Congressmen Richard Neal (D-MA) and Chaka Fattah (D-PA), as well as CDFI Fund Deputy Director Dennis Nolan, about how the NMTC is working to attract investment capital and generate economic activity in low income areas. Additionally, conference attendees will have the opportunity to hear from key Treasury Department officials, NMTC investors and leading law firms helping navigate the regulatory and legal factors faced by NMTC practitioners, and Congressional staffers will provide insight on the state of NMTC legislation in both chambers.

Tomorrow (Wednesday, June 11, 2014), the Coalition will hold a briefing on Capitol Hill to present the findings in the *2014 NMTC Progress Report*. Senator Roy Blunt (R-MO), the third ranking Republican in the Senate and lead Republican on the Senate NMTC extension bill, will provide remarks, Coalition staff will discuss the report’s research and analysis and NMTC practitioners will share their experience implementing the NMTC program.

For more information on both the conference and the briefing, please visit the [“Events” page](#) on the NMTC Coalition’s website.

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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