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# New Markets Tax Credit Coalition

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## New Markets Tax Credit Financing Creates New Jobs and New Hope for South Carolina Community

*Continental Tire Plant Grand Opening Reaffirms Vital Role of the NMTC in Revitalizing Distressed Communities and Underscores the President's Call for Tax Policy that Creates Jobs at Home*

**Washington, D.C.** – Yesterday was all about “Rolling Forward” in Sumter, South Carolina with the grand opening of the million-plus square foot Continental Tire manufacturing facility. Governor Nikki Haley was in attendance for the much-anticipated ribbon-cutting. The new plant, which was financed in part through the [New Markets Tax Credit](#), will bring 1,600 new full-time, permanent jobs to the economically depressed community of 40,500.

“New Markets Tax Credit financing made this project feasible for Continental Tire, thanks to the modest incentive the Credit provides for projects and investments in economically distressed communities,” said Bob Rapoza, spokesman for the [New Markets Tax Credit Coalition](#). “The opening of the Sumter Plant represents a huge step forward, not only for this community, but also for the state of South Carolina and the United States.”

The addition of these 1,600 new, living wage jobs – 90 percent of which will be entry level – is breathing new life into a rural community plagued with low wages and an unemployment rate more than 1.5 times the national average. And it’s projected that the plant’s presence and operations will leverage an additional 3,300 indirect jobs and over \$670 million in related economic activity in the area. Five Community Development Entities (CDEs)—intermediaries that administer the Credit—joined together to provide New Markets Tax Credit financing for the Continental Tire Sumter Plant project possible, including New Markets Tax Credit Coalition members, [Chase New Markets Corporation](#); [Community Reinvestment Fund, USA](#); [National Development Council](#) and [UrbanAmerica Advisors](#).

“Through public-private partnerships, the Credit brings community revitalization projects to fruition that likely would not have gone forward if not for NMTC financing, just as we’re seeing here in Sumter,” said Rapoza.

In the decade since the New Markets Tax Credit was first implemented, the Credit has created more than 550,000 jobs and leveraged over \$60 billion in capital for economically distressed rural and urban communities across the country. Over 72 percent of these investments were made in communities exhibiting *severe* economic distress, with unemployment rates more than 1.5 times the national average, poverty rates of 30 percent or more and/or median incomes at or below 60 percent of the area

median. In addition, a survey conducted by the U.S. Government Accountability Office found that 88 percent of NMTC investors would not have made their investments if not for this incentive.

The current authorization for the New Markets Tax Credit expired on December 31, 2013. Without a retroactive extension, hard-hit rural and urban communities will lose access to billions of dollars in patient capital for job-creating investments in businesses and economic development projects—projects that create jobs in the United States.

“Last night, in his State of the Union address, President Obama called for smart tax policies that create jobs here at home. The NMTC has demonstrated its effectiveness time and again, creating jobs and jump starting local economies, even in the hardest hit rural and urban communities,” Rapoza said. “The New Markets Tax Credit is smart policy, but the future of this tool for economic growth remains uncertain without congressional action.”

The credit has earned strong bipartisan support in both houses of Congress. In June of 2014, Senators Jay Rockefeller (D-W.Va.) and Roy Blunt (R-Mo.) together introduced the [New Markets Tax Credit Act of 2013](#) (S. 1133). This legislation would extend the Credit indefinitely by making it a permanent part of the Internal Revenue Code and enhance the potential impact of the Credit by increasing the annual NMTC allocation. Then, in early December, a bipartisan coalition of 70 Members of the House of Representatives, led by Steve Stivers (R-OH) and Mike Michaud (R-ME), sent a [letter](#) to the House Ways and Means Committee indicating their support for NMTC provisions. The Obama Administration also called for a permanent extension of NMTC and an expansion of the Credit in its Fiscal Year 2014 budget.

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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).