

## Tell Congress to Extend & Expand the New Markets Tax Credit

Dear Supporters of the New Markets Tax Credit:

At the end of 2015, as part of the PATH Act, the New Markets Tax Credit (NMTC) was extended for five years through 2019. However, this year, Congress is considering a tax overhaul that could put the five-year NMTC extension - and the program itself - in jeopardy. The task before us is to both maintain the provisions of the PATH Act and fight for a permanent authorization and expansion of NMTC.

For these reasons, we once again wish to stress to Congress the importance of the NMTC to thousands of businesses, trade associations, service providers, state and local government officials, and investors.

Many of you signed the Coalition’s NMTC support letter in 2015, and we thank you. More than 1,600 organizations signed the letter, and unless an organization objects, we plan to keep them on the updated letter. If you did not sign last time, please join in the effort to extend the NMTC by signing on this year and encourage other NMTC supporters in your community to sign on as well.

* [Sign-on now to support the NMTC](http://org2.salsalabs.com/dia/track.jsp?v=2&c=n8a7JPxFWVI1YkBMKqBcYjEvSauD9SY5)

The letter closes on January 25th.

**Read the letter:**

*Dear Representative/Senator:*

*We write in support of the New Markets Tax Credit (NMTC). We urge the 115th Congress to build on the success of the bipartisan PATH Act and enact legislation that provides a permanent authorization and expansion of the NMTC.*

*Congress established the New Markets Tax Credit in 2000 in the Community Renewal Tax Relief Act (P.L.106-554), a bipartisan effort to stimulate investment and economic growth in low-income urban neighborhoods and rural communities that lacked access to the patient capital needed to support and grow businesses, create jobs, and improve local economies. Presidents and Congressional leaders of both political parties have supported extensions of the NMTC, totaling $71 billion. The PATH Act. (P.L. 114-113) extended the NMTC for five years (2015-2019) at $3.5 billion in annual credit authority, the largest and longest extension in the program’s history.*

*The basis for the NMTC is that the success of businesses and entrepreneurs depends on access to capital, which is in short supply in low-income areas in both big cities and rural communities. The capital gap deprives businesses of the investment dollars they need to set up shop and expand. It also impedes the construction or renovation of community facilities that create jobs, increase economic opportunity and improve the quality of life in areas left behind by the economic recovery.*

*The NMTC program attracts capital to eligible communities by providing private investors with a federal tax credit for investments made in businesses or economic development projects located in some of the most distressed communities in the nation. Under the statute, NMTC investments are limited to low-income communities. Seventy-two percent of NMTC activity is in the most distressed communities in America, with unemployment rates 1.5 times the national average, poverty rates of at least 30 percent, or median income at or below 60 percent of area median.*

*Between 2003 and 2014, $38 billion in direct NMTC investments were made in businesses and these investments leveraged over $75 billion in total capital investment to businesses and revitalization projects in communities with high rates of poverty and unemployment. Between 2003 and 2012, the NMTC generated about 750,000 jobs, at a cost to the federal government of less than $20,000 per job. The Treasury Department recently announced $7 billion in NMTC as authorized under the PATH Act. These allocations are projected to create 166,000 construction and full-time jobs; provide $2.8 billion in total project financing to rural America; finance approximately 140 industrial and manufacturing businesses; make loans and investments in 350 community facilities; finance the creation or expansion of over 40 grocery stores; and more than 80 mixed-use facilities.*

*The NMTC is a financial tool for local communities, businesses, and investors with a track record of success. It is not a top-down program with Washington picking winners and losers. All financing decisions are made at the local level. The NMTC has been used in urban and rural communities to finance industrial and commercial facilities, daycare and healthcare centers, small business loan funds and mixed use developments.*

*Lastly, the NMTC not only generates economic activity, but it also provides a return on investment to the federal government. The federal tax revenue generated by NMTC investments more than pays for the cost of the program.*

*For these reasons we urge you support legislation that provides a permanent extension and expansion of the New Markets Tax Credit.*

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