



Report on the January 5, 2018 Executive Committee Call

Attendees

Executive Committee Members: Frank Altman, Charlie Spies, Eric Rosen, Dave Gibson, Kevin Goldsmith, Heidi DeArment, Kermit Billups, Dale Royal, and Yvette Ittu.

Rapoza staff: Bob Rapoza, Paul Anderson, and Ayrienne Parks

Legislative Report

During the Legislative Update, Bob noted that Rep. Tiberi's last day will likely be Jan. 15. Rep. Reed is the likely candidate to take over the lead on HR 1098. He is a strong champion, though he does have some additional priorities. Bob also received a call from another Member of the Ways and Means Committee who is interested in leading the bill, but that is only if Reed doesn't take the lead. However, during the conference, Rep. Reed's comments seemed to indicate he was interested and prepared to take leadership on the NMTC.

On extenders, Sen. Hatch introduced a bill at the end of December, after the tax reform bill passed. The legislation focuses on the extension of a collection of expired (or expiring) tax provisions. It provides a two-year extension to expired energy incentives, which would align them with the NMTC's current expiration date of 2019. Discussions are still in the early stages and we will continue to assess the appetite of those in Congress for going beyond those terms and doing more for other credits.

QEI Issuance

The Committee followed up from its previous conversation on QEI Issuance during the December IAC luncheon after the conference. During that exchange, the investors discussed a pause in investments as they determine their appetite given the new changes to the tax code. Now that tax reform has passed, there is more clarity and some investors indicated there will not be a pause, though that varies by institution depending on whether the BEAT applies (larger, international institutions still have to figure this out). In terms of the QEI threshold, the Fund put out a notice that a CDE that received multiple NMTC allocation awards between CY 2011 and CY 2015-2016, shall be deemed to have met the QEI issuance thresholds, if it issued and finalized a minimum of 90% of their cumulative allocation amounts by July 20, 2017. If investors are still paused when the next awards come out (likely in March or April), the question is whether the coalition should push for the percentage to be changed for the next round or for the date to be pushed back. Staff will be engaging with the CDFI Fund and Investors to flesh this out over the next month or so. Staff plans to schedule a call with the IAC in late February.

C-Corp Subcommittee

The Committee was provided with the names of those members from the Board who will be participating in the discussion on the C-Corp matter. A call will be convened next month with the subcommittee.

June Policy Conference

The NMTC Coalition Policy Conference has been scheduled for June 6th. The Board will meet the day before on June 5th. The event will coincide with the Novogradac Conference in DC and will be held at the same venue, The Renaissance Hotel.