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April 2, 2014

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## **Gerlach, Neal renew push to make permanent a proven incentive for strengthening communities and creating jobs**

WASHINGTON - House Ways & Means Committee Members Jim Gerlach (R-PA) and Richard Neal (D-MA) on Wednesday reintroduced bipartisan legislation that would make permanent a tax incentive credited with creating more than 550,000 jobs and incentivizing more than \$60 billion in private investment to strengthen economically-distressed communities.

The New Markets Tax Credit was established in 2000 to spur private investment in low-income rural communities and urban neighborhoods where access to capital is often extremely limited. The incentive expired at the end of 2013.

Under H.R. 4365 introduced by Gerlach and Neal, the federal tax credit would be renewed and become permanent.

"We have more than a decade of success stories from a variety of businesses in neighborhoods and communities across the country to prove this incentive works and pays for itself," **Gerlach said**. "We can build on that success by providing greater certainty that this tool will always be available to anyone who wants to build a business, create jobs and reinvigorate communities. Rep. Neal has been a critical ally in building bipartisan support for this legislation, and I look forward to working with him and our colleagues in the House to send this bill to the President's desk."

**Rep. Neal added:** "Since its inception 2000, the New Markets Tax Credit has generated \$60 billion in capital for projects in low income communities resulting and created over 550,000 jobs in traditionally overlooked communities- like Springfield, Holyoke and Pittsfield- in order to spur economic development, private investment and create jobs.

"This is a federal program that works – spurring investment that that grows local economies and generates jobs in the most distressed communities across the nation. However, barring Congressional action, this key initiative will end. That is why I am proud to introduce legislation with Rep. Gerlach to make the New Markets Tax Credit permanent, and ensure another decade of critical investments reaches Western Massachusetts."

This tax credit program offers those willing to invest in economically-distressed communities a seven-year, 39-percent federal tax credit.

With the capital raised from the tax credit, community development entities finance loans and investments in business and economic development projects that otherwise might not get off the ground.

The New Market Tax Credit Coalition reported the incentive led to the creation of 550,000 jobs and spurred \$60 billion of investment in businesses located in communities with high poverty and high unemployment since 2000.

"Last month, over 1,400 businesses, investors, nonprofit organizations and community leaders sent a letter to the Ways and Means Committee, outlining the need to extend the NMTC, which so many hard-hit, rural communities and urban neighborhoods across the nation depend on to finance businesses, create jobs and jump start their local economies," said **Bob Rapoza, spokesperson for the New Markets Tax Credit Coalition**. "The NMTC Coalition and its members applaud Representatives Gerlach and Neal for their leadership in permanently securing this important economic tool."

According to a Government Accountability Office report, 88 percent of new market tax credit investors surveyed would not have made the investment in the low-income community without the credit.

And a Treasury Department analysis found that every \$1 of foregone tax revenues under the NMTC program leverages about \$12 of private investment in distressed communities on a cost basis.

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