



June 18, 2019

Hon. Richard Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC

Dear Mr. Chairman:

We write to thank the Committee for its efforts to extend and expand the New Markets Tax Credit (NMTC) in HR 3301, the Taxpayer Certainty and Disaster Tax Relief Act of 2019. The current authorization for the NMTC expires at the end of 2019, and it is imperative that Congress act *this year* to ensure rural and urban communities and businesses are not left in the lurch.

Since its enactment in 2000, \$49 billion in NMTC allocation has generated more than \$95 billion in project financing in low-income communities.¹ The chief beneficiaries of the NMTC financing are residents of the eligible, low-income communities who benefit from quality jobs, improved services, and economic diversification. Over 72 percent of NMTC financing is in the most economically distressed communities in the country, in terms of poverty and unemployment, and roughly 20 percent of projects are in rural communities.

The Treasury Department estimates that the NMTC directly created over 800,000 direct jobs through 2017², and a separate NMTC Coalition study found the Credit created over 1,000,000 direct, indirect, and induced jobs through 2015³. For example, in Graniteville, SC, a textile-dependent economy, the town declined for decades before suffering one of the worst chemical spills in U.S. history when two freight trains collided in the center of town. A damaged local mill was forced to close as a result, but the NMTC was just the answer needed to get the town back on track. In 2015, NMTC financing helped bring 100 quality jobs back to Graniteville via an innovative appliance-recycling company, Recleim⁴.

The NMTC is more than just a catalyst for jobs and businesses. The credit has also financed nearly 1,000 healthcare facilities, including over 300 Federally Qualified Health Centers (FQHCs). NMTC-financed healthcare projects, which serve over 17 million Americans. In 2018, the NMTC financed an FQHC in an area of northwest Washington, where a dental shortage left 45,000 residents without access to dental services.⁵ In 2017, the NMTC financed an early childhood education center in Flint, MI, serving 200 children impacted by the water crisis.

¹ "FY 2018 NMTC Public Data Release." Department of Treasury, CDFI Fund.

² "Audit of the CDFI Fund for 2017 and 2018." Treasury Department Office of Inspector General.

³ NMTC Economic Impact Report (2003-2015), NMTC Coalition (2017).

⁴ "After a Town Suffered a Terrible Tragedy, These Entrepreneurs Brought It Back to Life." Inc, 2015.

<https://www.inc.com/tom-foster/2017-inc5000-reclim-saved-town.html>

⁵ "PCDC's First Financing in Washington Brings Needed Dental and Behavioral Care." <https://www.pcdc.org/pcdc-first-financing-in-washington-brings-needed-dental-and-behavioral-care/>

By extending the NMTC through 2020 and providing \$5 billion in annual credit authority, the greatest amount in the history of the program, H.R. 3301 takes an important first step in ensuring that this important community revitalization tool will continue to be available.

We support HR 3301 and urge the Committee to recommend the bill to the floor without delay.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Rapoza". The signature is fluid and cursive, with the first name "Robert" being more prominent.

Robert A. Rapoza
cc: Members of the House Ways and Means Committee