



**NEW MARKETS**  
TAX CREDIT COALITION



# NEW **MARKETS** TAX CREDIT **New Member Briefing Report** Congressman Michael Guest

**MS-03**

[nmtcoalition.org](http://nmtcoalition.org)

The interior of the Schultz Xtruded Products manufacturing facility in Robinsville, MS

# NMTC IMPACT IN MISSISSIPPI

## JOBS AND INVESTMENT

**—now—**  
**HIRING** **21K**  
JOBS STATEWIDE

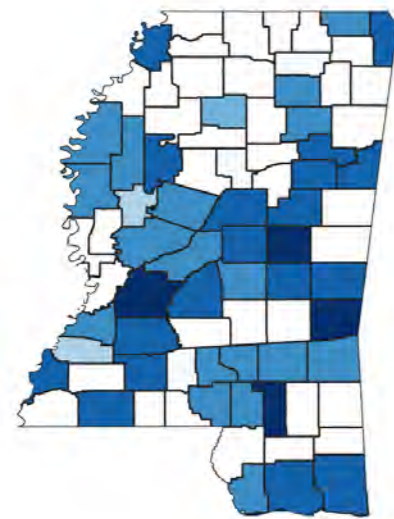
The NMTC created 21,729 Mississippi jobs in manufacturing, healthcare, and other industries.

**114**  
PROJECTS FINANCED IN MISSISSIPPI

The NMTC made 114 Mississippi projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

**\$2.3B**  
IN TOTAL CAPITAL TO MISSISSIPPI

The NMTC delivered \$2 billion to Mississippi businesses and revitalization projects that would not have been possible but for the NMTC.



### NMTC Investment by County 2003-2018

- \$0 - \$100,000
- \$100,000 - \$250,000
- \$250,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$10,000,000
- \$10,000,000 - \$50,000,000
- \$50,000,000+

Through September 30, 2018

# NMTC Impact in MS-03

## PROJECT EXAMPLE

**42**  
PROJECTS FINANCED IN MS-03

42 NMTC projects have been financed in Mississippi's 3rd Congressional District.

**\$914M**  
IN TOTAL CAPITAL IN MS-03

The NMTC delivered \$914 million in total capital to businesses and revitalization projects in Mississippi's 3rd Congressional District.



**Schulz Xtruded Products**  
Robinsonville, MS

NMTC financing supported the equipping of a state-of-the-art seamless pipe and extruded shapes manufacturing facility.



**Express Grain Terminals**  
Greenwood, MS

The NMTC financed two agricultural processing plants located on the MS Delta, creating 65 jobs processing primarily locally sourced corn and soybeans



**Vicksburg High School**  
Vicksburg, MS

New renovations and additions to Vicksburg High School, including a mock courtroom, an entrepreneur lab, an aquaponics lab, media center, and a student run store and credit union.



**Neshoba County General Hospital**  
Philadelphia, MS

Neshoba County Hospital is a 49-bed facility which provides a broad range of primary care services to residents of Neshoba County and surrounding counties.

# ABOUT THE NMTC

AFTER DECADES OF CUTS TO COMMUNITY DEVELOPMENT GRANT PROGRAMS, COMMUNITIES INCREASINGLY COUNT ON THE NEW MARKETS TAX CREDIT TO MAKE IMPORTANT INVESTMENTS POSSIBLE

The New Markets Tax Credit (NMTC) is an important source of financing for businesses and community facilities in America's most distressed rural and urban communities. Congress authorized the NMTC in 2000 to bring down the cost of capital in communities outside of the economic mainstream. Taxpayers receive a 39 percent tax credit (taken over seven years) for qualified investments into Community Development Entities (CDEs), organizations with a track record of loans and investments in underserved areas. CDEs use the proceeds of those investments to finance business expansions, community facilities, and other projects prioritized by communities.

## ECONOMIC IMPACT

CREATING JOBS

The NMTC has delivered \$80 billion total project financing to over 5,000 projects, creating 1,000,000 jobs at a cost to the federal government of less than \$20,000 per job.

JUMP-STARTING MANUFACTURING

From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

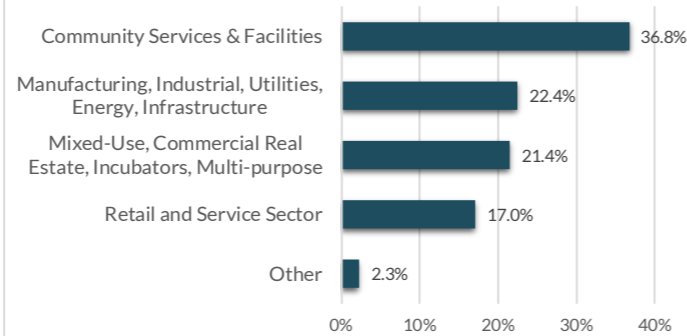
ENHANCING SERVICES

Over one-third of NMTC financing goes to YMCAs, hospitals, childcare centers, nonprofits, arts & cultural amenities, & other facilities vital to healthy communities.

## INDEPENDENT EVALUATION

An independent compliance review by Summit Consulting found that program participants are significantly lowering the cost of capital for borrowers in low-income communities and exceeding statutory and regulatory requirements for the targeting of economic distress.

Projects by Category



## EXTENSION LEGISLATION

The NMTC expires December 31, 2019. Without the NMTC, hard-hit communities will lose access to billions of dollars for high-impact projects.

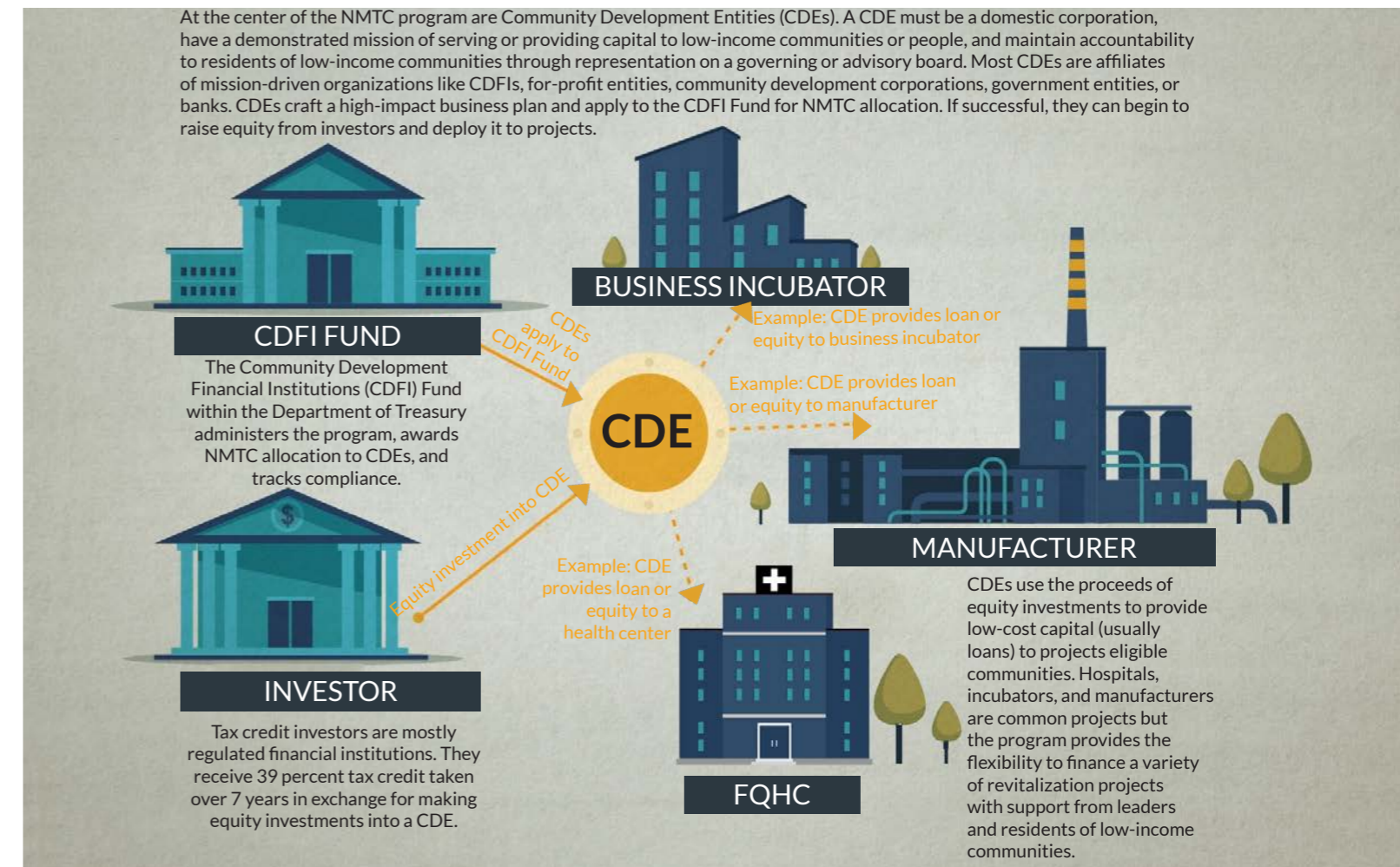
Extension legislation has been introduced by Sens. Roy Blunt (R-MO) and Ben Cardin (D-MD) in the Senate and Reps. Terri Sewell (D-AL) and Tom Reed (R-NY) in the House. **The New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750).**

The legislation would: provide an indefinite extension to the NMTC; increase allocation authority, adjusted for inflation; improve tax credit pricing and expand the investor-base by providing AMT relief to NMTC investors

In the 115th Congress, 123 members of the House and Senate from both parties cosponsored the NMTC Extension Act of 2017 (S. 384 and H.R. 1098).

# HOW IT WORKS

MOBILIZING CAPITAL FOR HIGH-IMPACT PROJECTS



## ELIGIBLE COMMUNITIES

NMTC projects must be located in census tracts with poverty rates of at least 20 percent or median incomes at or below 20 percent of the area median. However...

**75%** of NMTC projects are located in **severely distressed communities** that far exceed the statutory requirements for distress.

## WHAT ABOUT RURAL?

The NMTC statute directs the CDFI Fund to ensure NMTC allocation reaches a proportional share of non-metropolitan counties.

**23%** of NMTC projects were located in non-metropolitan counties in 2017.

## GAP FINANCING

Example: Imagine a business needs \$15 million to expand a production facility and purchase new equipment to meet growing demand. The business can only come up with \$12 million from a conventional lender. The NMTC fills the gap and makes the expansion possible.

**\$15 MILLION TOTAL PROJECT COST**

**\$12 MILLION IN CONVENTIONAL FINANCING**

**NMTC FILLS \$3 MILLION GAP**

# ONLINE RESOURCES

<b>NMTC Coalition:</b>	<a href="http://nmtccoalition.org">nmtccoalition.org</a>
State Fact Sheets:	<a href="http://nmtccoalition.org/state-fact-sheets">nmtccoalition.org/state-fact-sheets</a>
Project Maps	<a href="http://nmtccoalition.org/map">nmtccoalition.org/map</a>
Project Profiles:	<a href="http://nmtccoalition.org/stories">nmtccoalition.org/stories</a>
How It Works Video:	<a href="http://nmtccoalition.org/how-it-works">nmtccoalition.org/how-it-works</a>
Research:	<a href="http://nmtccoalition.org/research">nmtccoalition.org/research</a>
Statute:	<a href="http://nmtccoalition.org/statute">nmtccoalition.org/statute</a>
 <b>CDFI Fund:</b>	 <a href="http://cdfifund.gov">cdfifund.gov</a>



Above: A rendering of the Mill Redevelopment, located in rural Starkville, MS, which involves the adaptive reuse of a historic, 111-year old shuttered cotton mill and new construction on a site that has been virtually inactive since 1962.

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