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## **New Markets Tax Credit is a Big Deal for Strained Rural American Communities**

*New Markets Tax Credit Coalition Report Highlights Data on NMTC Impact on Jobs and Investment in Rural Communities*

**WASHINGTON, D.C.** –The [New Markets Tax Credit \(NMTC\) Coalition](#), representing 150 finance and community development experts and practitioners nationwide, released a [report](#) today detailing an unprecedented level of private investment in rural communities around the United States. The NMTC has helped rural communities increase healthcare access, financing 107 rural healthcare facilities or clinics, totaling nearly \$800 million in project costs between 2003 and 2014.

“The New Markets Tax Credit has a long track record of delivering capital to our country’s most economically distressed urban and rural communities. In recent years, the credit’s rural impact has been especially important with increasingly diminished economic opportunity due to inadequate access to capital, depressing those local economies and leading to high unemployment levels,” said Robert W. Davenport, NMTC Coalition president and special advisor to the [National Development Council](#). “As a result, the NMTC has become a big deal for rural America--creating tens of thousands of jobs, financing over 800 businesses and facilities, and boosting local economies.

The report also provides data on the NMTC’s role in jumpstarting manufacturing in communities like Martinsville, VA that have been decimated by deindustrialization. Nationwide, in the textile and apparel industries alone, rural communities lost over 900,000 jobs between 1994 and 2005. The NMTC is helping bring back quality jobs to Martinsville at manufacturers like Monogram Food Solutions. In 2015, thanks to NMTC-financing, the company added 56,000 square feet to its Martinsville packaging plant, [creating more than 250-full-time equivalent jobs in the area](#).

The NMTC was established in 2000 in the Community Renewal Tax Relief Act (P.L.106-554) as a bipartisan effort to stimulate investment and economic growth in low-income urban neighborhoods and rural communities. This financial tool has become even more integral as the number of community banks in the United States has declined over the past 30 years. In fact, these institutions have receded by an average of 300 per year, according to data from the Federal Deposit Insurance Corporation. The report further notes that this trend has hit rural economies particularly hard, with a 2013 Federal Financial Institutions Examination Council analysis indicating that while rural low-income census tracts include about 6 percent of the population and about 6 percent of the businesses, they received less than 5 percent of small business loans in 2012.

In 2006, Congress enacted The Tax Relief and Health Care Act of 2006 (P.L. 109-432), which amended the NMTC statute to ensure that non-metropolitan communities were allocated a proportional share of QLICs. The CDFI Fund defined “non-metropolitan counties” as those counties that are not contained within a Metropolitan Statistical Area, according to the most recent census. Congress extended the NMTC for five years as part of a bipartisan bill title The PATH Act (P.L. 114-113) in December 2015.

“The 2006 provision started a trend toward more investment in rural communities, which has become incredibly important as private investment in rural communities has become scarce and access investment in non-metro counties has picked up in recent years, hitting 27.3 percent in 2014,” Bob Rapoza, spokesperson for NMTC Coalition. “Further, the NMTC has generated a total of \$11.6 billion in project costs in low-income, rural communities through its innovative and flexible public-private investment model.”

Examples of rural projects included in the report are the Speare Memorial Hospital in the medically under-served community of Plymouth, New Hampshire, and the Delta Memorial Hospital in Dumas, Arkansas. Eleven percent of rural NMTC projects involved healthcare facilities, where access to quality healthcare is often located far away for many rural residents and limited in services.

For examples additional profiles and information on how the NMTC is making an impact in each state, see the NMTC Coalition’s *2016 NMTC at Work in Communities* report or check out its [Project Profile Map](#).

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