



August 6, 2021

The Honorable <<RepName>>  
United States House of Representatives  
<<OfficeAddress>>  
Washington, DC 20510

Dear Representative <<LastName>>:

On behalf of the New Markets Tax Credit Coalition, I want to thank you for joining as a cosponsor to H.R. 1321, the *New Markets Tax Credit Extension Act of 2021*. Your leadership on this issue is a valuable contribution to ensure the future of the NMTC.

As the Ways and Means Committee puts together a final legislative fiscal package to rebuild America's infrastructure, we hope you will sign-on to Rep. Sewell's "dear colleague" letter, urging the Committee to include a permanent authorization and expansion of the New Markets Tax Credit (NMTC), along the lines of H.R. 1321. The letter also calls for some improvements to the program that would (a) drive more money to rural areas, (b) enhance the program's efficiency during economic downturns, and (c) ensure the program better serves Indian Country and minority-owned lending institutions.

A copy of the letter is available below. You can sign-on by contacting Patrick O'Connor with Congresswoman Sewell - [Patrick.Oconnor@mail.house.gov](mailto:Patrick.Oconnor@mail.house.gov).

Again, I want to personally thank you for your leadership over years for your efforts in navigating NMTCs through the often-murky terrain of Capitol Hill and the efforts it has taken to build this credit into a successful program that regularly receives bipartisan support on Capitol Hill. We look forward to continuing our work together on the permanent extension of the NMTC.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert A. Rapoza', written in a cursive style.

Robert A. Rapoza

As the Ways and Means Committee puts together a package to rebuild America's infrastructure, we urge the Committee you to include a permanent authorization and expansion of the New Markets Tax Credit (NMTC), along the lines of the HR 1321, NMTC Extension Act of 2021.

In addition to making the NMTC a permanent part of the Internal Revenue Code, the NMTC Extension Act of 2021 would increase the annual NMTC allocation, index the allocation to inflation in future years and exempt NMTC investments from the Alternative Minimum Tax.

Over the 20 years of its existence, the NMTC has proven to be an effective, targeted, and cost-efficient financing tool valued by businesses, nonprofits, communities. Through 2020, NMTC allocations totaling \$60 billion have delivered nearly \$110 billion total project financing to over 7,000 projects, creating over one million jobs at a cost to the government of under \$20,000 per job.

Congress has only amended the NMTC statute twice since its enactment, and there are several tweaks that could enhance its impact in small farming communities, during economic downturns, and in communities of color. We propose that the committee consider the following:

- **Support new jobs in rural communities** by including the Rural Jobs Zones Act (H.R. 3357), which would add \$500 million in NMTC allocation in 2022 and 2023. Under the legislation, the new allocation would be targeted exclusively to Rural Jobs Zones, which are high poverty, low-income census tracts in rural communities with 50,000 or fewer residents. Of the \$1 billion in new allocation, \$250 million would be set-aside for rural persistent poverty counties and rural counties experiencing significant population loss.
- **Enhance the NMTC during economic downturns** by enacting the New Markets Improvement Act of 2020. The legislation, which will be reintroduced soon, would expand the NMTC investor-base and boost the liquidity of NMTC equity markets during economic downturns and provide additional allocation to promote economic growth and job creation. The legislation would also make it easier for community development entities to provide loan modifications and other concessions to help projects make it through a recession, when new investment is needed the most.
- **Improve access to the program for tribes and CDEs owned by people of color.** More than half of NMTC financing goes to communities of color, but more can be done to ensure these communities can access capital for new businesses, improved facilities, and greater opportunity. To that end, the NMTC statute should be amended to include two set-asides that ensure historically marginalized groups can better access the NMTC. The first set-aside would ensure tribes and indigenous populations receive a proportional share of NMTC investments based on their share of poverty. This provision, which was included in the Moving Forward Act (H.R. 2) in the 116th Congress, would target at least



5 percent of NMTC allocation for investments in Indian Country. The second, 5 percent set-aside would provide financial and technical assistance to CDEs owned and controlled by people of color.

Throughout its nearly two-decade existence, the NMTC has enjoyed bipartisan support and has become an essential tool for revitalizing rural and urban communities across the country. We hope you will join us in making this important tax incentive work even better for the communities that need it the most.

Sincerely,

[Undersigned Members of Congress]