



NEW MARKETS
TAX CREDIT COALITION



NEW MARKETS TAX CREDIT New Member Briefing Report Congressman James Clyburn

SC06

nmtcoalition.org

A report on the loans and investments in South Carolina's 6th CD and beyond
Above: Bert Storey Engineering and Innovation Center

NMTC IMPACT IN SOUTH CAROLINA

JOBS AND INVESTMENT



16K

The NMTC created 16K South Carolina jobs.

JOBS STATEWIDE



81

The NMTC made 81 South Carolina projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

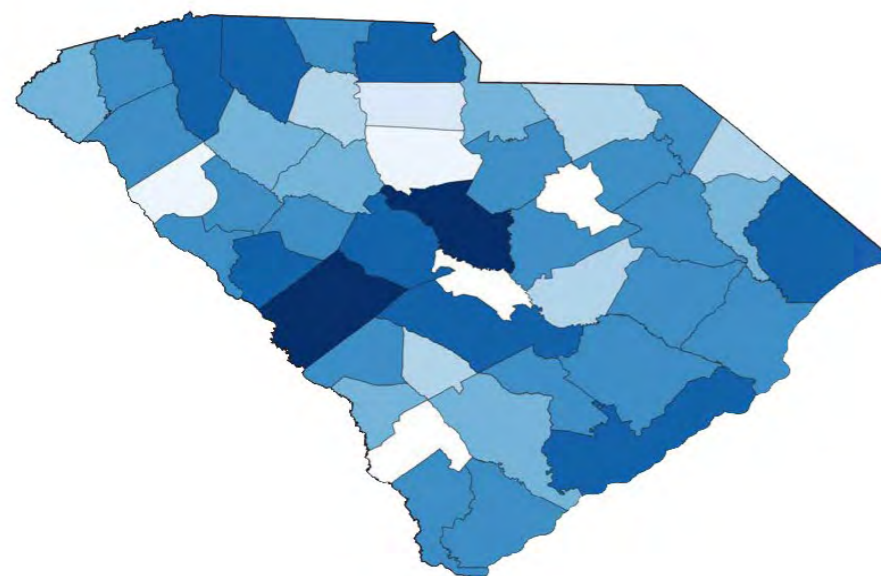
PROJECTS FINANCED IN SOUTH CAROLINA



\$1.7B

The NMTC delivered \$1.7B to South Carolina businesses and revitalization projects that would not have been possible but-for the NMTC.

IN TOTAL CAPITAL TO SOUTH CAROLINA



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 SC06

INVESTMENT AND PROJECT EXAMPLES



21

Twenty-one NMTC projects have been financed in the 6th Congressional District.

PROJECTS FINANCED IN SC06



\$554.7M

The NMTC delivered \$554.7M in total capital to businesses and revitalization projects in the 6th Congressional District.

IN TOTAL CAPITAL IN SC06



CARBON CONVERSIONS, INC Lake City, SC

Only commercially viable recycler of carbon fiber in the United States. CCI creates vital jobs in a region which faced 20.7% employment.



CONTINENTAL TIRE Sumter, SC

One million sq. ft. truck tire manufacturing facility in a community with an unemployment rate 1.53 times the national average. The facility incorporates pollution control and monitoring systems to eliminate the use of harmful solvents in the production process and reduces energy consumption through innovative heat recovery and energy reuse technology.



LIMEHOUSE PRODUCE North Charleston, SC

Food hub facility improvement and construction of produce distribution facility. The improvements were made to the food hub facility and financing also included the construction of a produce distribution facility.



BERT STOREY ENGINEERING AND INNOVATION CENTER Columbia, SC

44,000 sq. ft. office building that houses research and teaching activity related to cyber security, robotics, computer information systems and integrated information technology.

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 \$95 billion in total project financing to nearly 6,000 projects creating 1,000,000 jobs at a cost to the federal government of less than \$20,000 per job.

JUMP-STARTING MANUFACTURING

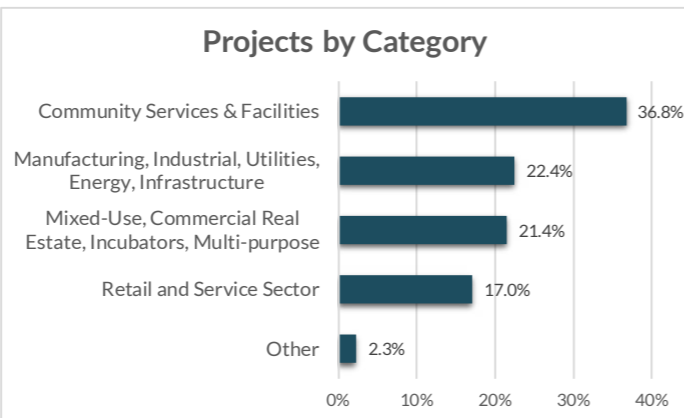
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

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.



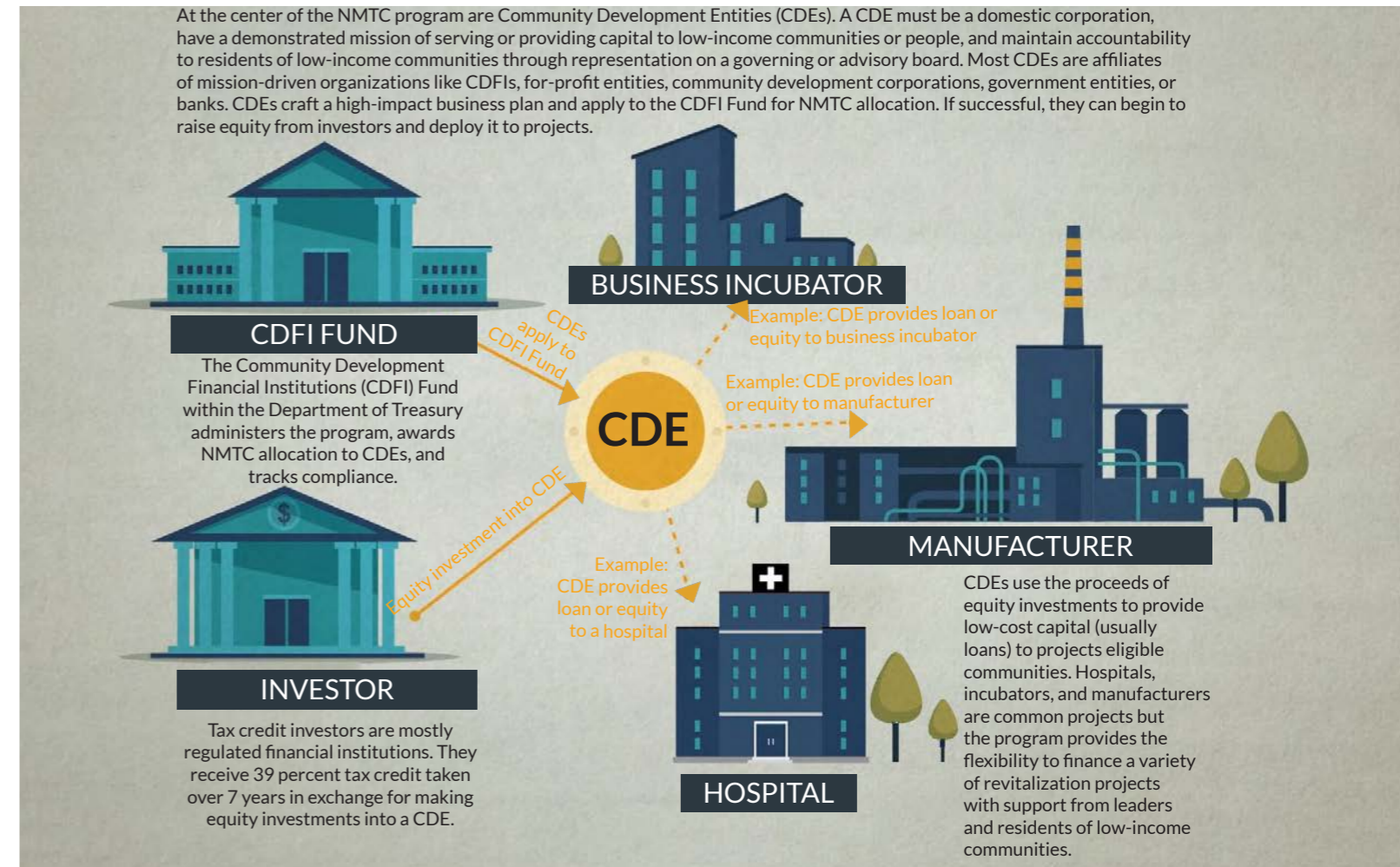
EXTENSION LEGISLATION

The New Markets Tax Credit, one of our most effective tools for community revitalization, expires at the end of 2019. Join the effort to extend the NMTC, preserving billions for manufacturing expansions, community health centers, and other important projects in America's hardest hit communities by building support for the New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750), which would make the NMTC permanent and increase the allocation amount.

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.

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.

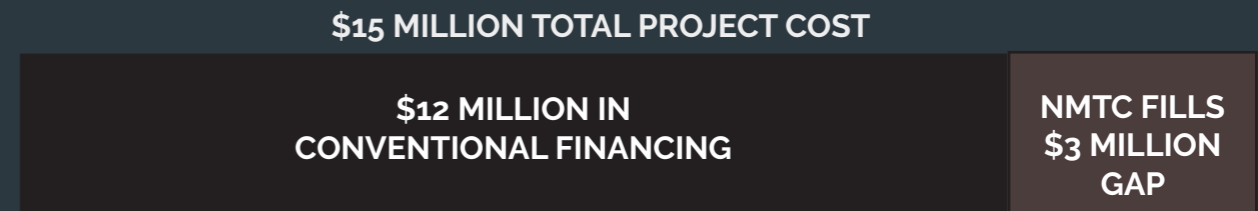
WHAT ABOUT RURAL?

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.



ONLINE RESOURCES

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



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