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New Markets Tax Credit Coalition

Contact: Bob Rapoza

bob@rapoza.org

(202) 393-5225

Bipartisan Push Underway to Permanently Extend Federal Tax Credit Encouraging Investment in Economically Disadvantaged Communities

Letter to House Ways and Means Leadership Calls for Permanent Extension of New Markets Tax Credit Program

Washington, D.C. – House Republicans and Democrats are formally asking House Ways and Means Chairman Dave Camp (R-MI) and Ranking Member Sander Levin (D-MI) to take action to permanently extend the [New Markets Tax Credit](#) (NMTC), a federal tax credit program that has created hundreds of thousands of jobs in distressed rural and urban communities. If Congress fails to act, the NMTC will expire at the end of this year.

The [bipartisan letter](#) in support of the NMTC, signed by 70 members of Congress, highlights the importance of the Credit, which provides a modest tax incentive to encourage private sector investment in communities often left out of the economic mainstream.

“We know tax reform is an increasingly important priority, but this vital, job-creating program can’t wait for that debate to wrap up—and neither can the struggling communities relying on it to grow their economies and expand businesses,” said Bob Rapoza, [New Markets Tax Credit Coalition](#) spokesman.

The NMTC is a critical source of financing [for businesses and community facilities](#), including childcare and healthcare centers, industrial manufacturing businesses, grocery-anchored retail centers, and mixed-use real estate projects. Between 2003 and 2011, NMTCs leveraged over \$55 billion in private investments and created more than 350,000 jobs. A recent Treasury Department analysis found that the new businesses and jobs created as a result of NMTC-financed projects generate more than enough income tax revenue to pay for the cost of the Credit.

“Over 72 percent of NMTC investments are made in communities exhibiting *severe* economic distress, with unemployment rates more than 1.5 times the national average, poverty rates of 30 percent or more and/or median incomes at or below 60 percent of the area median,” said Rapoza. “A relatively modest tax credit is attracting the private investment dollars these communities need. This is federal investment that makes sense.”

The letter initiated by Representatives Steve Stivers (R-OH) and Mike Michaud (D-ME) reminds House Ways and Means leadership that, “unless Congress acts to extend the NMTC, businesses and communities across the country will lose an important source of capital. With a fragile economic recovery still underway, now is not the time to cut off this critical source of financing.”