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CONTACT: BREANN GONZALEZ (TIBERI)
(202) 225-5355
BILLY TRANGHESE (NEAL)
(202) 225-5601
JADAN HOYRN (REED)
(202) 225-3161

TIBERI, NEAL, REED INTRODUCE BILL TO INCENTIVIZE JOB CREATION AND STRENGTHEN COMMUNITIES

U.S. Congressmen Pat Tiberi (R-OH), Richard Neal (D-MA), and Tom Reed (R-NY) today introduced a bill that would make permanent a tax credit proven to create jobs and encourage community investment.

The New Markets Tax Credit was established in 2000 and has proven to be a cost-effective incentive that spurs private investment in low-income rural communities and urban neighborhoods where access to capital is often limited. The New Markets Tax Credit attracts capital by providing private investors with a 39 percent credit against federal income taxes for investments made in some of the most distressed areas in the country. This bill would extend and expand this program.

“I’ve seen first-hand the benefits of the New Markets Tax Credit in the 12th Congressional District,” said Congressman Tiberi. “Whether it is the financing of a new grocery store in a previously under-served area in Columbus, creating 46 full- and part-time jobs during the project’s first phase or the funding of a recreation and aquatic center in Muskingum County that supports nearly 70 jobs, this tax credit is a tool to help revitalize communities by not only putting people to work but by funding projects that are a community benefit.”

“Since its inception in 2000, the New Markets Tax Credit has shown that it is a federal program that works—spurring investment that grows local economies and generates jobs in the most distressed communities across the nation.” Rep. Neal said. “In the last fourteen years, the New Markets Tax Credit has generated \$63 billion in capital for projects in low income communities resulting and created over 744,000 jobs in traditionally overlooked communities-like Springfield, Holyoke and Pittsfield.”

"However, barring Congressional action, this critical initiative will soon end. That is why I am proud to introduce legislation with Reps. Tiberi and Reed to make the New Markets Tax Credit permanent, and ensure another decade of key investments reach Western Massachusetts," Rep. Neal added.

"The New Markets Tax Credit is a powerful tool to bring rebirth in our communities. Here in the Southern Tier and Finger Lakes, a YMCA brought needed jobs to a rural community hard-hit by unemployment," said Reed. "Another project in Elmira rehabbed a historic movie theatre leveraging \$25 million in investment and creating a community performing arts center. Nationally, successful projects like TRIAD Manufacturing, which I toured in St. Louis, show how NMTC can assist in renewing our own domestic manufacturing sector. Making this tax credit permanent would ensure that successful projects will continue to remake our communities. It helps fulfill our commitment to erasing poverty and caring for communities."

With the capital raised from the tax credit, community development entities finance loans and investments in business and economic development projects that may not be financed in other ways. Nationwide, the New Markets Tax Credit incentive has generated more than 744,000 jobs and spurred \$63 billion of investment in 4,000 businesses.

"Clearly, the time is now," said Finance Fund CEO and New Markets Tax Credit Coalition Treasurer James R. Klein. The Finance Fund is based in Columbus. "In this climate of economic uncertainty, permanently reauthorizing the New Markets Tax Credit program brings stability to a proven effective government program that incents market-driven private investment in highly distressed communities. In Ohio, the Credit has helped create more than 30,000 construction jobs and nearly 12,000 full-time jobs."

U.S. Senator Roy Blunt (R-MO) plans to introduce companion legislation in the Senate.

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