

Paul Anderson

From: NMTC Coalition <nmtccoalition@rapoza.org>
Sent: Wednesday, June 05, 2013 12:26 PM
To: Paul Anderson
Subject: NMTC Coalition's 2013 Progress Report released

New Markets Tax Credit Coalition

New Report Demonstrates Federal Tax Credit Program's Ability to Stimulate Economic Development, Create Jobs in Low Income Communities

New Market Tax Credit 2013 Progress Report Provides Evidence on Effectiveness of the Credit as a Tool for Driving Capital to Areas of Economic Distress

Washington, D.C. – A report issued today by a coalition of community development organizations and financial institutions details how the New Markets Tax Credit (NMTC) transformed private sector capital into patient, flexible capital for credit-starved businesses in low income communities across the country during the previous year.

"The New Markets Tax Credit has a long track record in creating jobs and encouraging economic growth in our country's most distressed neighborhoods and communities," said José Villalobos, Senior Vice President of TELACU Los Angeles, California, and President of the NMTC Coalition. "Our latest New Markets Tax Credit Progress Report shows that the Credit made significant contributions to our economic recovery last year, including tens of thousands of jobs and billions in capital to businesses across the country."

In 2012 alone, the NMTC was responsible for the direct creation of almost 50,000 jobs in economically distressed urban and rural communities across the country, according to a new report from the NMTC Coalition. These 47,821 jobs represent an impressive two percent of the 1.8 million jobs created in America last year. The [2013 NMTC Progress Report](#) provides detailed insights into how the NMTC was used in 2012, including the types of projects it helped financed and the areas where these projects occurred, and presents findings on the impacts of these investments, at both the micro and macro levels.

A FLEXIBLE INCENTIVE FOR COMMUNITY REVITALIZATION

Download the 2013 NMTC Progress Report

The New Market Tax Credit 2013 Progress Report Provides Evidence on Effectiveness of the Credit as a Tool for Driving Capital to Areas of Economic Distress.

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Sector	Percentage
Community (Educational and community facilities)	28%
Office (financial, professional, science management, business or other office space)	13%
Health (health, fitness and recreation facilities)	13%
Retail	2%
Other	2%
Arts (facilities or space for the performing arts, cultural, entertainment, or other amenities)	2%
Housing	2%
Manufacturing (spaces)	10%
Food (restaurants, grocery stores)	6%
Auto	2%

"The New Markets Tax Credit has helped Cincinnati Center City Development Corporation (3CDC) and its partners invest more than \$466 million in the Cincinnati's Central Business District and Over-The-Rhine areas, strengthening core assets in the persistently distressed city center," said Steve Leeper, President and CEO of 3CDC in Cincinnati, Ohio. "The result? Crime has dropped more than 50 percent, about 4,000 construction jobs have been created, and over 30 new businesses have moved into the neighborhood."

Unlike previous NMTC Progress Reports, the 2013 Progress Report contains a Special Report on the NMTC and Tax Reform, calling on Congress to permanently extend the NMTC as part of their efforts to reform the tax code.



"As the lead Democratic sponsor in the House for many years, I am a strong supporter of the NMTC program because of its proven results. This successful initiative has stimulated investment and economic growth in low income communities that are traditionally overlooked by conventional capital markets," said Congressman Richard E. Neal (D-MA-1). "More than \$55 billion has financed revitalization projects across the country and created thousands of jobs. As a result, I believe this important bipartisan program should be extended and made permanent."

Authorized in the Community Renewal Tax Relief Act of 2000 and extended in the American Taxpayer Relief Act of 2012, the NMTC attracts capital to low income communities by providing private investors with a modest federal tax credit of 39 percent, spread out incrementally over seven years, for investments made in businesses or economic development projects in census tracts where the individual poverty rate is at least 20 percent, or where median family income does not exceed 80 percent of the area median.

Since it was enacted, the NMTC has generated billions of dollars in private investments in projects and communities that likely would never have received such injections of patient capital otherwise. In fact, a survey conducted by the U.S. Government Accountability Office (GAO) found that 88 percent of NMTC investors would not have made their investments if not for the incentive of the Credit.

"The New Markets Tax Credit helps us bring investment to communities that have inadequate access to capital," said Dan Robeson, President of Iowa Business Growth Company. "This is an important program for rural communities like Burlington, Iowa, where the Credit helped us finance the expansion of the Winegard Company's television reception products manufacturing facility. The upgraded facility allowed Winegard to add more than 70 jobs new jobs and retain an additional 320 positions in a community with an unemployment rate nearly twice the national average."

The NMTC secured \$27 billion in direct investments from 2003 and 2011 for economically distressed communities across the country, which created some 350,000 jobs and leveraged \$55 billion in total capital. Between 2010 and 2012 alone, at a time when communities were hemorrhaging hundreds of thousands of jobs and economic growth opportunities had dwindled, the NMTC was responsible for the creation of over 200,000 jobs. In fact, those jobs created by the Credit accounted for four percent of the total job growth in the United States during that period. Additionally, the federal tax revenue generated by NMTC investments more than covers the cost of the program as measured in terms of revenue lost by the federal government, providing a significant return on investment.

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About New Markets Tax Credit Program

The New Markets Tax Credit was enacted in 2000 in an effort to stimulate private investment and economic growth in low income urban neighborhoods and rural communities that lack access to the patient capital needed to support and grow businesses, create jobs, and sustain healthy local economies. The NMTC is a 39 percent federal tax credit, taken over seven years, on investments made in economically distressed communities. Today due to NMTC, more than \$55 billion is hard at work in underserved communities in all 50 states, the District of Columbia, and Puerto Rico.

About New Markets Tax Credit Coalition

The NMTC Coalition is a national membership organization of Community Development Entities and investors organized to conduct research on and advocacy for the New Markets Tax Credit. The Coalition hosts two annual conferences and regularly publishes the NMTC Bulletin. To learn more, please visit www.nmtccoalition.org.

