

Paul Anderson

From: NMTC Coalition <nmtccoalition@rapoza.org>
Sent: Monday, June 10, 2013 3:10 PM
To: Paul Anderson
Subject: TAKE ACTION: Mobilize NMTC Supporters in the House

New Markets Tax Credit Coalition

TAKE ACTION: Mobilize NMTC Supporters in the House

After the Coalition's meetings on Capitol Hill last week, it is clear that the House Ways and Means Committee plans to mark-up a major tax reform bill over the next few months. While the exact time frame is not yet set, it is the Committee's stated intention to get a tax reform bill through the full House by the end of the calendar year.

Discussions with several senior Members of the Ways and Means Committee provided a clear indication of the direction the Committee is taking: a reduction in both corporate and individual tax rates to 25%. The Committee also plans to produce a bill that is revenue neutral, meaning it neither raises nor lowers tax revenue from the current baseline.

To accomplish this, the Committee will have to eliminate or sharply curtail many existing tax expenditures. In 2013, the cost of all federal tax expenditures totals \$1.3 trillion. Of that amount, almost 90% are costs associated with provisions benefitting individual taxpayers. Tax expenditures targeted exclusively to corporate filers amount to \$69 billion.

According to preliminary estimates by the Congressional Joint Committee on Taxation (JCT), an annual reduction of \$90 billion in current tax expenditures is necessary to get the corporate rate to 28%. An additional \$30 billion in expenditures would be needed in order to cut the corporate rate to 25%. In other words, to achieve a 28% corporate rate, Congress would likely have to eliminate all corporate tax expenditures – including the New Markets Tax Credit (NMTC) – as well as a number of tax benefits that now accrue to individuals.

House Ways and Means Committee Chairman Dave Camp (R-MI) is now in the process of consulting with Members of the Committee to solicit input and identify their priorities. **We are asking NMTC Coalition members to contact their Representative this week to urge them to support extending the NMTC in tax reform legislation.**

The Coalition has agreed on three priorities for tax reform:

1. Permanent, or indefinite, extension for the New Markets Tax Credit;
2. An increase in NMTC tied to inflation that will provide approximately \$4.8 billion in annual credit authority with that amount similarly indexed to inflation in the out years; and
3. An exemption from the Alternative Minimum Tax (AMT) for all NMTC investments.

At the bottom of this email, you will find two lists:

1. Members of Ways and Means who co-sponsored the NMTC Extension Act (HR 2655) in the last Congress and/or otherwise indicated their support for NMTC;
2. Members of Congress who are not on Ways and Means who cosponsored HR 2655 or who otherwise indicated their support for NMTC.

Please ask these Members to indicate to Chairman Camp their support for NMTC for the following reasons:

- **The NMTC is a proven incentive for spurring private sector investment in low income communities.** The Credit delivered over \$55 billion in capital to economically distressed communities between 2003 and 2011, directly creating over 350,000 jobs.
- **The NMTC is a cost effective tool that pays for itself.** NMTC investments in businesses in low income communities and the jobs created by those businesses generated over \$5.4 billion in federal tax revenue between 2003 and 2010, covering the \$5.3 billion cost of the program over the same period.
- **The NMTC is a unique and flexible incentive.** The NMTC is the only incentive that provides both the flexibility to finance a variety of businesses and projects in low income communities along with an effective established system to deliver that financing. The NMTC does not target a specific type of business or sector. Instead of Washington picking winners and losers, the NMTC places the project underwriting responsibility with community development organizations with deep ties to the communities in which they work.

Ways and Means Members Who Cosponsored HR 2655:

- **Republicans:**
- Jim Renacci (R-OH)
- Aaron Schock (R-IL)
- Charles Boustany (R-LA)
- Erik Paulsen (R-MN)
- Pat Tiberi (R-OH)
- Jim Gerlach (R-PA)
- **Democrats:**
- John Larson (D-CT)
- John Lewis (D-GA)
- Richard E. Neal (D-MA)
- Bill Pascrell Jr. (D-NJ)
- Charles B. Rangel (D-NY)
- Joseph Crowley (D-NY)
- Earl Blumenauer (D-OR)
- Allyson Schwartz (D-PA)
- Jim McDermott (D-WA)
- Ron Kind (D-WI)

Members of Congress who are not on Ways and Means but who cosponsored HR 2655 or otherwise indicated their support for NMTC.

- **Republicans:**
- Richard Hanna (R-NY)
- Chris Gibson (R-NY)
- Steve Chabot (R-OH)
- Steve Stivers (R-OH)
- Bill Johnson (R-OH)
- Bob Gibbs (R-OH)
- Patrick Meehan (R-PA)

- Donald Young (R-AK)
- Ander Crenshaw (R-FL)
- Brett Guthrie (R-KY)
- Rodney Alexander (R-LA)
- Michael Turner (R-OH)
- Tom Cole (R-OK)
- Charles Dent (R-PA)
- Reid Ribble (R-WI)
- **Democrats:**
- Ed Pastor (D-AZ)
- Adam Schiff (D-CA)
- Barbara Lee (D-CA)
- Grace Napolitano (D-CA)
- Jim Costa (D-CA)
- Lucille Roybal-Allard (D-CA)
- Mike Honda (D-CA)
- Susan Davis (D-CA)
- Jared Polis (D-CO)
- John Carney (D-DE)
- Sanford Bishop (D-GA)
- John Yarmuth (D-KY)
- Cedric Richmond (D-LA)
- James McGovern (D-MA)
- Michael Capuano (D-MA)
- Niki Tsongas (D-MA)
- Elijah Cummings (D-MD)
- Chellie Pingree (D-ME)
- Michael Michaud (D-ME)
- John Conyers (D-MI)
- Betty McCollum (D-MN)
- Collin Peterson (D-MN)
- Keith Ellison (D-MN)
- Emanuel Cleaver (D-MO)
- David Price (D-NC)
- Brian Higgins (D-NY)
- Carolyn Maloney (D-NY)
- José Serrano (D-NY)
- Paul Tonko (D-NY)
- Bill Owens (D-NY)
- Marcia Fudge (D-OH)
- Marcy Kaptur (D-OH)
- Tim Ryan (D-OH)
- Chaka Fattah (D-PA)
- Robert Brady (D-PA)
- David Cicilline (D-RI)
- Sheila Jackson Lee (D-TX)
- Peter Welch (D-VT)
- Gwen Moore (D-WI)

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