

Bill Introduced in Senate Calls for NMTC to Receive Permanent Extension at \$5 Billion



NMTC Coalition Applauds Sens. Cardin (D-MD) and Daines (R-MT) for Introducing Bill to Deliver Much Needed Resources to Marginalized Communities

NEWS RELEASE BY NEW MARKETS TAX CREDIT COALITION

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Today, Senators Ben Cardin (D-MD) and Steve Daines (R-MT) introduced the **New Markets Tax Credit (NMTC) Extension Act of 2023**, joined by co-sponsoring Senators Cantwell (D-WA), T. Scott (R-SC), Schumer (D-NY), Cassidy (R-LA), Menendez (D-NJ), and Blackburn (R-TN). The legislation permanently extends the NMTC at \$5 billion in annual credit authority, adjusts that amount for inflation in future years and provides an exception from the Alternative Minimum Tax (AMT) for New Markets investments.

"In Maryland and across the country, the New Markets Tax Credit has demonstrated its strength in encouraging a diverse range of infrastructure and community development efforts in low-income neighborhoods and communities of color. New Markets Tax Credits provide a strategic tool for the transformation of historically under-invested communities," said Senator Cardin. "I thank Senator Daines and all of our cosponsors for joining this effort to make permanent this tax credit that will continue to create jobs and stimulate our economy in communities nationwide."

"The New Markets Tax Credit is a win-win-win – it has been an invaluable tool for encouraging investment into our communities, creating good-paying jobs in Montana, and spurring growth in local economies across the nation. It's time we make a permanent commitment to helping our Montana communities thrive and economies grow," said Senator Daines.

In recent years, Congress has taken action to expand and sustain the NMTC. In 2019, Congress increased the annual allocation of Credits to \$5 billion, a 44 percent increase over the previous years. In 2020, Congress enacted a five extension of the NMTC, the largest in the program's history.

The NMTC Extension Act of 2023 establishes the NMTC as a permanent part of the tax code, which will provide certainty in delivering resources to low-income and marginalized communities, creating jobs, increasing economic opportunity, and improving lives at a time when the economic frailty of our underserved communities has never been more apparent.

"With bipartisan and bicameral support, coupled with its track record of creating jobs and bringing much-needed economic development to underserved areas, we believe the NMTC is an effective program deserving of a permanent home in our tax code," said Aisha Benson, President of the NMTC Coalition and President and CEO of Nonprofit Finance Fund

Established in 2000 in the Community Renewal Tax Relief Act (P.L.106-554), the New Markets Tax Credit is a bipartisan effort to stimulate investment and economic growth in low-income urban neighborhoods and rural communities. Since 2021, \$63.4 billion in NMTC allocation has been deployed to 7,615 projects and businesses, totaling \$120.5 billion in total project investment, resulted in:

- More than one million total jobs in all 50 states;
- 228 million sq. ft. of real estate;
- 1,073 mixed-use projects;
- More than 3,500 federally qualified health centers, schools, daycare centers, vocational programs, treatment facilities, and other service providers benefiting tens of millions of low-income people; and
- 1,803 manufacturing projects.

“The New Markets Tax Credit has been and remains absolutely vital for many of America’s urban neighborhoods and rural communities and will provide billions of dollars for high-impact, community revitalization projects,” said Bob Rapoza, spokesperson for the **NMTC Coalition**. “Over the years, the credit has been instrumental in financing plant and equipment for small manufacturing businesses and patient, flexible capital to other small businesses, hospitals, healthcare centers, homeless shelters and other transformative projects that improve communities, create jobs and economic opportunity. We appreciate the leadership of several members of the U.S. Senate in championing this effort for communities across the U.S. We expect the U.S. House of Representatives to follow suit with a bill in the very near future.”

The New Markets Tax Credit (NMTC) was enacted in 2000 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. Since its inception, the NMTC has generated more than one million jobs. Today due to NMTC, more than \$120 billion is hard at work in underserved communities in all 50 states, the District of Columbia, Guam and Puerto Rico. For examples of how the NMTC is making an impact in each state, see the NMTC Coalition's newly released report, ***NMTC at Work in Communities Across America***, featuring updated **state statistics sheets** on NMTC efficacy and more than 80 Tax Credit success stories. For more information, visit www.NMTCCoalition.org.

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