

NMTC Coalition Urges White House and Congressional Leadership to Make the NMTC Permanent within the Final Federal Appropriations Package, As Passed by the House Budget Committee

NEWS RELEASE BY NEW MARKETS TAX CREDIT COALITION

Washington, DC | November 08, 2021 02:50 PM Eastern Standard Time

Today, the New Markets Tax Credit (NMTC) Coalition, a national membership organization of Community Development Entities (CDEs) and investors organized to advocate on behalf of the NMTC, released a [letter signed by 400 community development stakeholders](#) to President Biden, House Speaker Nancy Pelosi, and Senate Majority Leader Chuck Schumer, urging Democratic leadership to include provisions to make the New Markets Tax Credit Program permanent. The Coalition also supports additional NMTC enhancements approved by the House Ways and Means Committee in the budget reconciliation legislation.

The Joint Committee on Taxation estimates the ten-year cost of the Ways and Means NMTC provisions at only \$2.6 billion over ten years, while those funds will leverage an estimated \$85 billion investment in economically distressed rural, urban, and tribal communities. These communities will benefit from improved services, increased private sector investment, and 700,000 new jobs at a federal cost of under \$4,000 per job.

“We strongly support making the NMTC permanent,” said Yvette Ittu, President of the NMTC Coalition and President of Cleveland Development Advisors.

In February, Reps. Terri Sewell (D-AL), Tom Reed (R-NY), Sens. Ben Cardin (D-MD) and Roy Blunt (R-MO) introduced the New Markets Tax Credit (NMTC) Extension Act of 2021. The legislation permanently extends 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 December 2020, Congress extended the NMTC for five years, which was the largest extension in the history of the Credit.

Throughout its 20-year history, the NMTC has delivered more than \$110 billion to rural and urban communities outside the economic mainstream, which has led to financing to more

than 6,000 business and projects and over one million jobs.

Establishing the NMTC as a permanent part of the tax code will provide certainty and further promote the in getting patient, flexible capital 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.

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 then, the New Markets Tax Credit has financed more than 6,500 projects and created over one million jobs in all 50 states, the District of Columbia and Puerto Rico.

“Following devastating impacts from COVID-19, the New Markets Tax Credit is 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. A permanent extension of NMTC will provide more certainty to private sector investors, which will result in better pricing and more subsidy to hard-to-finance, essential projects.”

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.

About New Markets Tax Credit Program

The New Markets Tax Credit (NMTC) 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. Since its inception, the NMTC has generated more than one million jobs. Today, due to the NMTC, nearly \$110 billion is hard at work in underserved communities in all 50 states, the District of Columbia, and Puerto Rico. For more information, visit www.NMTCCoalition.org

Contact Details

Bob Rapoza

+1 202-498-9921

bob@rapoza.org

Company Website

<https://nmtccoalition.org/>

Tags

ECONOMIC DEVELOPMENT

TAX

POLICY

WHITE HOUSE

CONGRESS

SENATE