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New Markets Tax Credit Program

Announcements

* Request for Public Comment: New Markets Tax Credit Program Allocation Application

* Testimony of CDFI Fund Director Donna J. Gambrell before the Committee on Ways and Means and the Financial Services Committee on a recent GAO Report regarding the New Markets Tax Credit Program

* Government Accountability Office (GAO) Releases Report on NMTC Program

- o Letter from CDFI Fund Director Gambrell to GAO (April 23, 2009)
- o GAO Report on NMTC Program (April 30, 2009)

* 249 Applications Received Requesting \$22.5 Billion under 2009 New Markets Tax Credit Program

* Treasury's New Markets Tax Credit Program Named One of Top 50 in the Innovations in American Government Awards Competition

- o CDFI Fund Press Release
- o Harvard Kennedy School Press Release

Overview

The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

Throughout the life of the NMTC Program, the Fund is authorized to allocate to CDEs the authority to issue to their investors up to the aggregate amount of \$23 billion in equity as to which NMTCs can be

claimed, including \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone.

To date, the Fund has made 364 awards totaling \$19.5 billion in allocation authority.

Eligibility

An organization wishing to receive awards under the NMTC Program must be certified as a CDE by the Fund.

To qualify as a CDE, an organization must:

- * be a domestic corporation or partnership at the time of the certification application;**
- * demonstrate a primary a mission of serving, or providing investment capital for, low-income communities or low-income persons; and**
- * maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.**

CDE Application and Resources

- * CDE Certification – Application**
- * CDE Certification – Frequently Asked Questions**
- * CDE Certification – Certification Guidance**
- * CDE Certification – Glossary of Terms**

An organization that is currently certified as a CDFI by the CDFI Fund or designated as a Specialized Small Business Investment Company by the Small Business Administration automatically qualifies as a CDE and may register to become a CDE via the online registration link located below on this webpage.

For more detailed information, please refer to the CDE Certification page of this website.

2009 Round Deadlines

- * Release of NOAA and application materials:**

January 22, 2009

* CDE Certification Applications must be postmarked on or before:

March 3, 2009

* Online Submission of Allocation Application:

April 8, 2009

* Date by which prior-year allocatees must issue the requisite percentage of QEIs:

June 17, 2009

Application Materials

- * 2009 NMTC Program – Application Workshop Materials (.ppt)
- * 2009 NOAA (.pdf)
- * 2009 NOAA Amendment (.pdf)
- * 2009 NMTC Program – Application (.pdf)
- * 2009 NMTC Online Application Instructions (.pdf)
- * 2009 NMTC Program – Application Q&A (.pdf)
- * 2009 NMTC Program Application Webcast

Supplemental Resources

- * QEI Investment Report (September 2009)
- * Certification of Material Events Form
- * Frequently Asked Questions on Material Events
- * Working Paper: Addressing the Prevalence of Real Estate Investments in the NMTC Program
- * NMTC Program: Activities Financed Through 2007
- * CDFI Fund Releases Report on NMTC Program Data Through 2007
- * NMTC Program: Promoting Investment in Distressed Communities (NMTC Program Data Through 2007)
- * View NMTC Satellite Broadcast Training, 12/19/06
- * NMTC Compliance & Monitoring Frequently Asked Questions (May 2009)
- * GAO Report on the NMTC Program (January 2007)
- * New Markets Tax Credit Statute
- * How to Request a Legal Review

Targeted Populations and Communities

- * Proposed Regulations for Targeted Populations
- * Q&A: Low-Income Communities and Targeted Populations
- * IRS Notice on Targeted Populations
- * List of Qualifying NMTC Census Tracts Within High Migration Rural Counties
 - * Qualifying Census Tracts in Non-Metropolitan Counties
 - o Information on Qualifying Census Tracts in Non-Metropolitan Counties (.pdf)
 - o List of Qualifying Census Tracts in Non-Metropolitan Counties (.xls)
 - * List of Qualifying Counties and Eligible Low-Income Communities in the Go Zone
 - * Map of Gulf Opportunity Zones
 - * Katrina Severely Damaged Census Tracts

IRS Materials

- * IRS – Proposed Amendments to NMTC Program Regulations (Aug 2008)
- * IRS Help Desk For General NMTC Questions
- * IRS – NMTC Program Income Tax Regulations
- * IRS – Guidance Regarding use of Borrowed Funds to Make Qualified Equity Investments in CDEs
- * IRS – Form 8874 (2003)

Past Awards

- * 2008 NMTC Program – Announcement Press Release
- * 2008 NMTC Program – Overview of Allocations
- * 2008 NMTC Program – List of Allocations
- * 2008 NMTC Program – States Served
- * 2008 NMTC Program – Profiles of Allocatees
- * 2008 NMTC Program – Award Book, Includes All Materials

Program Materials Archive

Last updated/reviewed: 9/2/2009

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