

NEW MARKETS TAX CREDIT COALITION

Dear Senator/Representative:

We are writing to indicate our support for the New Markets Tax Credit Extension Act of 2009 (HR 2628 and S.1583) and to ask that you work for its passage. This legislation would extend the New Markets Tax Credit for five years and generate more than \$25 billion in new private investment in poor urban and rural communities across the country.

The New Markets Tax Credit (NMTC), authorized in the Community Renewal Tax Relief Act of 2000, was designed to stimulate investment and economic growth in low-income communities that are traditionally overlooked by conventional capital markets. The NMTC does this by providing investors with a seven-year, 39 percent federal tax credit for investments made through investment vehicles known as Community Development Entities (CDEs). The CDEs use the capital raised with the NMTC to finance loans and investments in businesses and economic development projects in low-income areas.

To date, more than \$14 billion has been invested in low income communities thanks to the NMTC and CDEs are using this capital to finance a wide variety of economic development initiatives and businesses. NMTC financed projects range from a small faith-based CDE financing a new childcare facility on the west side of Chicago, to a statewide CDE financing a solar power manufacturer that brought 1,500 new 'green jobs' to a low income community outside of Albuquerque, to a CDE affiliated with a minority bank financing the only free standing health care clinic in Harlem. These and other NMTC financed projects have bolstered local economies, increased economic opportunity, created jobs, and improved the lives of many Americans.

The NMTC Coalition recently released its *2009 NMTC Progress Report* which documents survey data collected from CDE that received NMTC awards from Rounds I through V. The report found that CDEs are continuing to issue Qualified Equity Investments (QEIs) at a rapid pace; are offering patient, flexible financing products not otherwise available in the market; and are investing in areas with multiple factors of high economic distress.

By all reports the NMTC has succeeded in stimulating new investment and economic growth in low-income communities and we are calling on Congress to extend and expand this valuable program.

The New Markets Tax Credit Extension Act of 2009 would extend the NMTC for five years, would provide \$5 billion in annual NMTC allocation authority, and would allow an investor to use NMTC to offset the Alternative Minimum Tax (AMT) thus granting NMTC the same consideration under AMT as Low Income Housing Tax Credit, Historic Tax Credits and other federal tax credits.

We have seen first hand how the NMTC can make a difference in our communities and we hope you will support its extension.

Sincerely,

(please fill in your information and email this page to NMTCCoalition@rapoza.org)

Name	Organization	City	State	Email