

## Seventh Round of New Markets Tax Credit Competition Opens

By Alex Ruiz, Managing Editor, Novogradac & Company LLP

On January 16, 2009 the U.S. Department of the Treasury and the Community Development Financial Institutions (CDFI) Fund announced the opening of the seventh round of competition for tax credits on \$3.5 billion of equity investments under the New Markets Tax Credit (NMTC) program. This year's NMTC allocation round will include an emphasis on placing investments in underserved non-metropolitan communities. The allocation application deadline is April 8, 2009.

The CDFI Fund reports that, to date, organizations awarded tax credits have raised \$12.6 billion in equity investments. In fact, awardees have raised more than \$1 billion of equity in the past six months alone, demonstrating that the NMTC program has been a critical tool for economic development during a period of tightened credit markets.

"The New Markets Tax Credit program is a vital tool for stimulating private sector investments in low-income communities, and making a real difference in the lives of the people living in these communities," said CDFI Fund Director Gambrell. "The \$3.5 billion of tax credit authority available in the fiscal year 2009 round is critically important to finance businesses and real estate developments, helping to stimu-

late economic growth and employment opportunities."

Through 2007, allocatees reported deploying a total of \$9 billion in qualified loans and investments in low-income communities across the nation. These loans and investments have:

- Financed almost 2,000 businesses and real estate developments in low-income communities, including small businesses, manufacturing facilities, charter schools and health-care centers;
- Developed or rehabilitated more than 68 million square feet of commercial real estate;
- Created 210,000 full-time construction jobs; and
- Created or maintained 45,000 full-time jobs at businesses operating in low-income communities.

### To Learn More

Guidance and application materials on the seventh round of the NMTC program are available on the New Markets Tax Credit program web page of the CDFI Fund's web site at [www.cdfifund.gov](http://www.cdfifund.gov). Those interested in learning more about the FY 2009 funding round of the NMTC program can also view a CDFI Fund webcast by visiting: [www.cdfifund.gov/how\\_to\\_apply/](http://www.cdfifund.gov/how_to_apply/). ❖

---

*This article first appeared in the February 2009 issue of the Novogradac New Markets Tax Credit Report and is reproduced here with the permission of Novogradac & Company LLP.*

© Novogradac & Company LLP 2009 - All Rights Reserved.

*Notice pursuant to IRS regulations: Any U.S. federal tax advice contained in this article is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under the Internal Revenue Code; nor is any such advice intended to be used to support the promotion or marketing of a transaction. Any advice expressed in this article is limited to the federal tax*

*(continued on page 2)*

# Seventh Round

(continued from page 1)

issues addressed in it. Additional issues may exist outside the limited scope of any advice provided – any such advice does not consider or provide a conclusion with respect to any additional issues. Taxpayers contemplating undertaking a transaction should seek advice based on their particular circumstances.

This editorial material is for informational purposes only and should not be construed otherwise. Advice and interpretation regarding property compliance or any other material covered in this article can only be obtained from your tax advisor. For further information visit [www.newmarketscredits.com](http://www.newmarketscredits.com).

## New Markets Tax Credit Report Editorial Board

**Publisher** ♦ Michael J. Novogradac, CPA

**Editor** ♦ Jane Bowar Zastrow

**Managing Editor** ♦ Alex Ruiz

**Staff Writer** ♦ Jennifer Dockery

**Contributing Writers** ♦ Brad Elphick, CPA,  
Diana R. Letsinger, CPA

**Technical Editor** ♦ Owen P. Gray, CPA

**Production** ♦ Jesse Barredo

## New Markets Tax Credit Report Advisory Board

**Thomas G. Tracy** ♦ Hunter Chase & Company

**Frank Altman** ♦ Community Reinvestment Fund

**Bruce Bonjour** ♦ Perkins Coie LLC

**Rick Edson** ♦ Housing Capital Advisors Inc.

**Donald S. Holm III** ♦ Farris Bobango PLC

**Lewis M. Horowitz** ♦ Lane Powell

**Scott Lindquist** ♦ Sonnenschein Nath & Rosenthal

**Benson Roberts** ♦ Local Initiatives Support Corporation

**John Simon** ♦ Sidley Austin Brown & Wood

**Ruth Sparrow** ♦ Future Unlimited Law PC

**Herbert Stevens** ♦ Nixon Peabody LLP

**Mary Tingerthal** ♦ Housing Partnership Network

**Joseph A. Wesolowski** ♦ Enterprise Community Investment Inc.

## New Markets Tax Credit Report Information

Address all correspondence and editorial submissions to:

Jane Bowar Zastrow

Telephone: 415.356.8034

Address inquiries regarding advertising opportunities to:

Carol Hough

Telephone: 415.356.8040

Editorial material in this publication is for informational purposes only and should not be construed otherwise. Advice and interpretation regarding the low-income housing tax credit or any other material covered in this publication can only be obtained from your tax advisor.

© Novogradac & Company LLP, 2009 All rights reserved.

ISSN 1941-482x

Novogradac & Company LLP

246 First Street, 5th Floor

San Francisco, CA 94105

E-mail: [cpas@novoco.com](mailto:cpas@novoco.com)

