

NMTC Named One of Top 50 Innovations in American Government

By Alex Ruiz, Managing Editor, Novogradac & Company LLP

On April 15 the U.S. Department of the Treasury's New Markets Tax Credit (NMTC) program was named as one of the top 50 programs that will advance to the final stages of competition for the prestigious 2008 Innovations in American Government Award. The NMTC program was chosen from approximately 1,000 programs representing all levels of government across the nation that applied for this award.

The Innovations in American Government program recognizes and promotes excellence and creativity in the public sector. Through its annual awards competition, the Innovations in American Government program highlights exemplary models of governments' innovative performance and serves as a catalyst for continued progress in addressing the nation's most pressing public concerns. The awards program is administered by the Ash Institute for Democratic Governance and Innovation at Harvard University's John F. Kennedy School of Government.

"Naturally, I am very proud and excited that the New Markets Tax Credit program has been selected as one of the top 50 programs in this year's Innovations in American Government competition," said Donna J. Gambrell, director of the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI)

Fund, which administers the NMTC Program. "The NMTC program is achieving its goal of attracting private capital to our nation's low-income communities. While the program is only a few years old, it has already led to billions of dollars in new investment – this program is truly transforming communities."

About the NMTC Program

From manufacturing plants in Iowa to health-care centers on the Gulf Coast, the NMTC program is attracting critically needed private capital investment to hard-to-finance projects in the nation's low-income communities. Its recognition by the Innovations in American Government program is particularly timely, given current challenges in the credit market that could significantly impact the availability of capital in low-income communities.

Through the first five rounds of the program, the CDFI Fund made 294 awards totaling \$16 billion in tax credit allocation authority. The CDFI Fund anticipates awarding another \$3.5 billion of allocation authority to CDEs in the fall. The NMTC program is currently set to expire in 2008, but supporters of the program are pursuing an extension. In his fiscal year 2009 budget proposal, President George W. Bush asked Congress to extend the program with a \$3.5 billion authorization for 2009. ❖

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