

Lawmakers, NMTC Coalition, Push for Extension of Program

By Jennifer Dockery, Staff Writer, Novogradac & Company LLP

Members of Congress and the New Markets Tax Credit Coalition are continuing their efforts to see the New Markets Tax Credit (NMTC) program extended. The program is set to expire on December 31, 2009. In the past few months, lawmakers and advocates had circulated letters to gain support for H.R. 2628 and S. 1583, both known as the New Markets Tax Credit Extension Act of 2009.

Rep. Richard Neal, D-Mass., introduced H.R. 2628 on May 21 and Sen. Jay Rockefeller, D-W.V., introduced S. 1583 on August 5. The two bills would extend the NMTC program for five years and provide \$5 billion in annual tax credit allocation authority. They would also allow the NMTC to offset the alternative minimum tax. As the *New Markets Tax Credit Report* went to press, the two bills were still in committee and hearings had not been scheduled.

On October 21, Sens. Rockefeller and Olympia Snowe, R-Maine, who co-sponsored S. 1583, sent a letter to the members of the Senate encouraging them to support the NMTC program extension. The letter cites the program's successful investment of more than \$14 billion in low-income communities. As of mid-November, eight senators in addition to Rockefeller and Snowe were co-sponsors of S. 1583. They include: Sens. Jeff Bingaman, D-N.M.; Richard Burr, R-N.C.; Richard Durbin, D-Ill.; John Ensign, R-Nev.; John F. Kerry, D-Mass.; Paul Grattan Kirk Jr., D-Mass.; Patrick J. Leahy, D-Vt., and Debbie Stabenow, D-Mich.

On October 28 Reps. Neal and Patrick J. Tiberi, R-Ohio, a co-sponsor of H.R. 2628, sent a similar letter to members of the House of Representatives. The representatives' letter cites NMTC investments in an organic food

business in Springfield, Mass. and a multi-tenant retail and office development in Columbus, Ohio. The letter encourages representatives to co-sponsor the bill. As of mid-November, the House bill had 13 co-sponsors in addition to Neal and Tiberi. They are: Reps. Sanford D. Bishop Jr., D-Ga.; Earl Blumenauer, D-Ore.; Dan Boren, D-Okla.; Russ Carnahan, D-Mo.; Tom Cole, R-Okla.; Artur Davis, D-Ala.; Brian Higgins, D-N.Y.; Frank LoBiondo, R-N.Y.; Zachary T. Space, D-Ohio; John Sullivan, R-Okla.; Niki Tsongas, D-Mass.; Michael R. Turner, R-Ohio; and Chris Van Hollen, D-Md.

During the past few months, the New Markets Tax Credit Coalition has also been approaching members of Congress about supporting the bills. The coalition circulated a sign-on letter for industry participants to send to their senators and representatives, and has been lobbying for the extension. The coalition is also encouraging members to call their members of Congress with accounts of how they have successfully used NMTCs in their district. Currently, the coalition is targeting members of Congress who co-sponsored the NMTC legislation in the last legislative session and members of the Ways and Means Committee and the Finance Committee.

The NMTC Coalition expects to see the program renewed early next year, possibly in January or February. Although the proposed bills include a five-year extension of the program, the coalition expects that Congress will extend the program for only one year, said Alison Feighan, vice president at Rapoza Associates, which staffs the NMTC Coalition.

Copies of the legislation, and the letters circulated by the members of Congress and the NMTC Coalition are available online at www.newmarketscredits.com. Novogra-

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Novogradac & Company will track the progress of the bills and provide updates in its Tax Credit Tuesday podcast (www.novoco.com/podcast) as well as in the Novogradac Journal of Tax Credits. ❖

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