



NMTC Working Group

Group hosted by: Novogradac & Company LLP

Purpose of the Group: The NMTC Working Group was established to provide a platform for NMTC industry participants to work together to resolve and administrative New Markets Tax Credit Program issues that are experienced by the members of the group.

Process: Novogradac & Company LLP has taken the lead to coordinate the efforts of the group. Novogradac and Company LLP also provides expertise and administrative support to the group.

Each month, members of the group participate on a conference call hosted by Novogradac and Company LLP and led by Michael Novogradac, its managing partner. Members are encouraged to participate in discussions and provide input regarding pending action items as agreed to by the members of the group. Novogradac & Company LLP also hosts a NMTC Working Group meeting at a scheduled time at each of its national NMTC conferences. Comments and suggestions are agreed to and submitted in writing directly to the IRS and the CDFI Fund based upon the group discussions. Michael Novogradac reports back to the group information he has received from follow-up with the IRS and the CDFI Fund regarding the submissions.

Benefits: Membership in the NMTC Working Group offers a number of important benefits:

- The working group provides a platform where members can collaborate on similar issues and problems and work together to solve them.
- Members have the opportunity to provide input on issues affecting the industry as a whole.
- Members have the opportunity to share the costs of resolving similar issues as a group rather than on an individual basis.
- Members have the opportunity to keep abreast of emerging issues and recommended practices in the industry.

Membership Fee:

The fee for each member is \$5,000 for twelve months.

Membership fees cover the time incurred by Novogradac & Company LLP professionals to research, collaborate and prepare written and verbal communications to the respective agencies. Each month, Novogradac & Company LLP updates the group on the status of each issue and the time that has been incurred addressing them.

Priority Issues:

The NMTC Working Group is planning to address priority issues including but not limited to the following:

Comments and suggestions regarding the November 2006 Compliance Monitoring FAQ

Comments to the IRS regarding the classification of rental revenue in assisted living facilities

Develop industry recommended practices regarding economic substance

Comments and suggestions regarding the 2007 NMTC Program Allocation Agreement

Comments and suggestions regarding the 2008 NMTC Program Allocation Application

Addressing these issues as a group, provides the CDFI Fund and IRS with very concise suggestions and comments on global issues from a broad spectrum of the NMTC industry. These are only a sample of the priority issues of the current members of the NMTC Working Group. As new issues arrive or new guidance is provided, the group's direction and priority often change in order to address the most important topics in a timely manner.

Membership:

For information regarding the group and how to become a member, please contact Brad Elphick at (678) 867-2333 or brad.elphick@novoco.com. Once becoming a member, you will have access to the Members Only portion of the website which will allow you to review and comment on current action letters, review a recap of prior calls and meeting and interact with other members.