

CDFI Fund Releases Application Demand for CY 2022 Round of the NMTC Program

Tuesday, March 14, 2023

The U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) announced today that it received 197 applications for the calendar year (CY) 2022 round of the New Markets Tax Credit Program (NMTC Program). The NMTC Program advances economic development in economically distressed communities by making tax credit allocations available to Community Development Entities (CDEs) for targeted investments in eligible areas.

The CDEs that applied under the CY 2022 round are headquartered in 44 states, the District of Columbia, Guam, and Puerto Rico. These applicants requested an aggregate total of \$14.8 billion in NMTC allocation authority, nearly three times the \$5.0 billion in authority available for the 2022 round.

Created by Congress in December of 2000, the NMTC Program permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in CDEs. The investor is provided a tax credit that equals 39% of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer's investment must be used by the CDE to make qualified investments in low-income communities. Successful applicants are selected only after a competitive application and rigorous review process that is administered by the CDFI Fund.

Through the first seventeen rounds of the NMTC Program, the CDFI Fund has made 1,461 awards totaling \$71 billion in tax credit allocation authority. This \$71 billion includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone.

For more information about the NMTC Program, visit the CDFI Fund's website at www.cdfifund.gov/nmtc.