

117TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to permanently extend the new markets tax credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CARDIN (for himself, Mr. BLUNT, Mr. SCHUMER, Mr. PORTMAN, Ms. CANTWELL, and Mr. SCOTT of South Carolina) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the new markets tax credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “New Markets Tax
5 Credit Extension Act of 2021”.

6 **SEC. 2. PERMANENT EXTENSION OF NEW MARKETS TAX**

7 **CREDIT.**

8 (a) **EXTENSION.**—

1 (1) IN GENERAL.—Subparagraph (H) of section
2 45D(f)(1) of the Internal Revenue Code of 1986 is
3 amended by striking “for each of calendar years
4 2020 through 2025” and inserting “calendar year
5 2020 and each calendar year thereafter”.

6 (2) CONFORMING AMENDMENT.—Section
7 45D(f)(3) of such Code is amended by striking the
8 last sentence.

9 (b) INFLATION ADJUSTMENT.—Subsection (f) of sec-
10 tion 45D of the Internal Revenue Code of 1986 is amend-
11 ed by adding at the end the following new paragraph:

12 “(4) INFLATION ADJUSTMENT.—

13 “(A) IN GENERAL.—In the case of any cal-
14 endar year beginning after 2021, the dollar
15 amount in paragraph (1)(H) shall be increased
16 by an amount equal to—

17 “(i) such dollar amount, multiplied by

18 “(ii) the cost-of-living adjustment de-
19 termined under section 1(f)(3) for the cal-
20 endar year, determined by substituting
21 ‘calendar year 2000’ for ‘calendar year
22 2016’ in subparagraph (A)(ii) thereof.

23 “(B) ROUNDING RULE.—Any increase
24 under subparagraph (A) which is not a multiple

1 of \$1,000,000 shall be rounded to the nearest
2 multiple of \$1,000,000.”.

3 (c) ALTERNATIVE MINIMUM TAX RELIEF.—Subpara-
4 graph (B) of section 38(c)(4) of the Internal Revenue
5 Code of 1986 is amended—

6 (1) by redesignating clauses (vii) through (xii)
7 as clauses (viii) through (xiii), respectively, and

8 (2) by inserting after clause (vi) the following
9 new clause:

10 “(vii) the credit determined under sec-
11 tion 45D, but only with respect to credits
12 determined with respect to qualified equity
13 investments (as defined in section 45D(b))
14 initially made after December 31, 2020,”.

15 (d) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by this section
18 shall apply to taxable years beginning after Decem-
19 ber 31, 2020.

20 (2) ALTERNATIVE MINIMUM TAX RELIEF.—The
21 amendments made by subsection (c) shall apply to
22 credits determined with respect to qualified equity
23 investments (as defined in section 45D(b) of the In-
24 ternal Revenue Code of 1986) initially made after
25 December 31, 2020.