

Congress of the United States
Washington, DC 20515

Support Investment in Economically Distressed Rural and Urban Communities

Dear Colleague:

We invite you to join us in supporting the extension and expansion of the New Markets Tax Credit (NMTC) program by co-sponsoring HR. 855, the New Markets Tax Credit Extension Act of 2015. NMTC expired on December 31, 2014.

In addition to making the NMTC a permanent part of the Internal Revenue Code, the New Markets Tax Credit Extension Act of 2015 would increase the annual NMTC allocation, index the allocation to inflation in future years and exempt NMTC investments from the Alternative Minimum Tax (AMT).

The NMTC was established in 2000 and has proved to be a cost-effective incentive that spurs private investment in low-income rural communities and urban neighborhoods where access to capital is often extremely limited. NMTC attracts capital to underserved areas by providing private investors with a 39 percent credit against federal income taxes for investments made in some of the most distressed communities in the nation.

With the capital raised from tax credit investors, community development entities make loans and investments in business and economic development projects that otherwise might not get off the ground. While all NMTC investments benefit businesses in low-income communities, the NMTC does not target a specific type of business or sector. Instead of Washington picking winners and losers, the NMTC places the project underwriting responsibility with community development organizations with deep ties to the communities in which they work.

We have seen the NMTC at work in our own districts. In Columbus, Ohio, NMTC financed a new grocery store, and the project's first phase resulted in 46 full- and part-time jobs and access to affordable groceries for 25,000-plus nearby residents. In Massachusetts, NMTC financed the renovation of three vacant commercial buildings in Holyoké into a full-service medical complex and community health center. The construction helped provide 238 construction jobs as well as maintaining and adding permanent jobs for 252 people. And in Hornell, New York, a brand new YMCA opened its doors, thanks to financing from the NMTC. It brought much needed employment to a rural community with an unemployment rate of more than twice the national average, creating 15 construction jobs, retaining 16 full-time jobs and creating four new, full-time jobs. Nationwide, NMTC incentive has generated 750,000 jobs and spurred \$63 billion of investment in 4,000 businesses located in communities that need assistance in revitalizing their economies.

Throughout its history the New Markets Tax Credit has enjoyed bipartisan support – from Presidents and Congressional majorities of both parties. The reason: NMTC is an essential tool for revitalizing in rural and urban communities across the country.

We hope you will join us in extending and expanding this important program. If you have any questions or would like to co-sponsor this bill please contact Whitney Daffner with Representative Tiberi or Brandon Casey with Representative Neal.

Sincerely,



Pat Tiberi
Member of Congress



Richard Neal
Member of Congress



Tom Reed
Member of Congress
