



DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

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Treasury Announces Opening of Second Round of Competition For New Markets Tax Credit Program *\$3.5 Billion to be Invested in Low-Income Communities*

The Treasury Department today announced the second competitive round for the allocation of tax credits for up to \$3.5 billion in qualified equity investments under the New Markets Tax Credit (NMTC) Program. This represents the combined allocations for 2003 and 2004.

“Awards under the NMTC Program support the President’s agenda for economic growth and job creation,” said Treasury Secretary John W. Snow. “The NMTC Program has the potential to stimulate private sector investment in the nation’s low-income communities across our nation, creating needed jobs and opportunities for many Americans who might not otherwise have them. It also does so in a way that holds participants accountable for producing results.”

Created by Congress in December 2000, the NMTC Program permits individual and corporate taxpayers to receive a credit against Federal income taxes for making Qualified Equity Investments in investment vehicles known as Community Development Entities, or CDEs. Substantially all of the investment must in turn be used by CDEs to make qualified investments in low-income communities. The credit provided to the taxpayer totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.

Guidance on the second round of allocations will be available with the publication of the Notice of Allocation Availability in the Federal Register on July 18, 2003. Successful CDEs will be allocated NMTCs after a competitive application and review process, which is administered by Treasury’s Community Development Financial Institutions (CDFI) Fund. The allocation application deadline is September 30, 2003.

“The NMTC Program has the potential to make a significant impact in low income communities,” said Tony T. Brown, Director of the CDFI Fund. “It offers a tremendous opportunity to focus capital investment on these communities, capital which will result in the creation of jobs and new economic activity.”

For more information, please visit the CDFI Fund’s web site at: www.cdfifund.gov