



DEPARTMENT OF THE TREASURY  
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**GUIDANCE ISSUED  
ON  
NEW MARKETS TAX CREDIT PROGRAM**

Washington, DC – The Community Development Financial Institutions (CDFI) Fund, U.S. Department of the Treasury, issued guidance today on the New Markets Tax Credit (NMTC) Program. At the same time, the Internal Revenue Service (IRS) issued an Advance Notice of Proposed Rulemaking (ANPRM) on tax issues related to the program. The guidance and the ANPRM will initially be posted on the Treasury Department's website at <http://www.treas.gov/cdfi/programs/newmarkets/index.html> and will be published in the Federal Register the week of April 30, 2001.

The guidance includes information on how entities will apply to receive allocations of NMTCs, the competitive procedure through which allocations will be made and actions that will be taken to ensure that proper allocations are made to appropriate entities. The guidance seeks comment from the public on certain matters.

The ANPRM requests public comments about various tax issues that the IRS may address in regulations relating to the New Markets Tax Credit. In order to facilitate the regulatory process, the ANPRM requests comments within 60 days of its publication in the Federal Register, although comments after that date are welcome.

On December 21, 2000, the Community Renewal Tax Relief Act of 2000 was signed into law as a result of a bipartisan initiative. This landmark legislation includes the NMTC, which will spur the investment of \$15 billion in new private capital into a range of privately managed investment vehicles that make loans and equity investments in low-income communities.

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