

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Announces \$3.5 Billion in New Markets Tax Credit Awards to Revitalize Low-Income and Distressed Communities

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WASHINGTON, DC—Building on the Obama Administration’s commitment to increase economic opportunity in distressed areas of the United States, the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund) today announced \$3.5 billion in New Markets Tax Credit (NMTC) awards nationwide. Treasury will provide 85 organizations with tax credit allocation authority under the tenth award round of the NMTC Program.

“The New Markets Tax Credit addresses one of the most significant obstacles to economic development that low-income communities face: a lack of access to patient, private investment capital,” said Treasury Assistant Secretary for Financial Institutions Cyrus Amir-Mokri. “The \$31 billion worth of tax credits awarded in past years have gone toward preserving jobs and bringing community facilities and new businesses into neighborhoods that desperately needed them. I expect today’s awardees will continue that trend.”

“In fact, over 70 percent of New Markets Tax Credit investments have been made in communities that meet the highest distress criteria, above even the program’s requirements, CDFI Fund Director Donna J. Gambrell. “That result effectively demonstrates how essential the New Markets Tax Credit Program is to spurring economic development in underserved areas.”

The NMTC, established by Congress in December 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making equity investments in vehicles known as Community Development Entities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. For every dollar invested by the Federal government, the NMTC Program generates over eight dollars in private investment. This strong record of spurring economic growth is one of the reasons why President Obama’s FY14 budget included an expansion and permanent extension of the New Markets Tax Credit.

The 85 organizations receiving awards under the 2012 round were selected from a pool of 282 applicants that requested approximately \$21.9 billion. They are headquartered in 28 states and the District of Columbia, but will be providing services in a wide range of local and state areas as well as on the national level. For more detailed information about the states where awardees anticipate investing their allocations, please see the CDFI Fund’s website at www.cdfifund.gov/statesserved.

To Learn More

The complete award list and other highlights of the 2012 NMTC Program Awards can be found on the CDFI Fund’s website at www.cdfifund.gov/2012nmtc.

About The CDFI Fund

Since its creation in 1994, the CDFI Fund has awarded over \$1.7 billion to CDFIs, community development organizations, and financial institutions through the CDFI Program, the Bank Enterprise Awards Program, the Capital Magnet Fund, the Financial Education and Counseling Pilot Program, and the Native American CDFI Assistance Program. In addition, the CDFI Fund has allocated \$36.5 billion in tax credit authority to Community Development Entities through the New Markets Tax Credit Program. Learn more at www.cdfifund.gov.

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