



New Market Tax Credit Program

Fact Sheet

- The New Market Tax Credit (NMTC) program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments.
- The NMTC program uses federal tax credits equaling 39% of the investment allocated over a 7 year period. The investments are made to spur community and economic revitalization.
- The NMTC statute requires that investments be located in census tracts where the individual poverty rate is at least 20% or where the median family income does not exceed 80 percent of the area median.
- NMTC's are a cost-effective tool to create jobs and drive investment in communities with high rates of poverty and unemployment.
- All NMTC investments target economically challenged communities.
- Some examples of projects and businesses financed through the NMTC program are manufacturers, bakeries, community health centers, high-tech business incubators, supermarkets and mixed-use projects. Many other projects may be eligible for NMTC's.
- The NMTC program creates efficient private-public partnerships, an essential part of successful economic development, community revitalization and infrastructure.
- Projects or groups of projects need to total a minimum of \$5 million dollars – a good example of a group of projects would be the development planned for the VA property site in Gulfport.
- The NMTC program promotes access to capital.
- Investors may earn Community Reinvestment Act (CRA) credits through participating in the NMTC program.

The first step to qualifying a project for New Market Tax Credits is by completing the attached project qualification form.