

Community Investments Vol 15, Issue 2 New Markets Tax Credits Hit the Community

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"The New Markets Tax Credit (NMTC) program was enacted in December 2000 as part of the bipartisan Community Renewal Tax Relief Act. The purpose of the NMTC is to spur private investment in low-income urban and rural communities. The program is based on the idea that there are viable business opportunities in low-income communities and that a federal tax credit would provide attractive incentive to increase the flow of investment capital to such areas" (excerpt from *Making the New Markets Tax Credit Conference*). In his article, Robert Rapoza provides a comprehensive overview about how the credits are intended to work and where they went. He also explains how to become certified as a Community Development Entity in order to apply for credits, how the CDE must market the credit to investors, what investments qualify for the credits, and what limitations exist on the use of the credits. Don't miss the detailed charts that provide information about the distribution of the first round of credits by geography and entity.

Robert A. Rapoza is president and principal of Rapoza Associates, a public interest lobbying and government relations firm located in Washington, D.C. Mr. Rapoza most recently successfully steered the New Markets Tax Credit program to enactment and has also been responsible for numerous legislative accomplishments including saving federal rural housing and

community development programs from budget cuts and establishing the Intermediary Re-lending Program at the Agriculture Department.

In 2003, Phoenix, AZ received the largest allocation of tax credits in the country. How did they do it and what will it take to make this program that holds tremendous promise to revitalize low-income communities work? The Story of Phoenix's NMTC Allocation answers these questions.

Roberto Franco led the Phoenix team in applying for the New Markets Tax Credit program and currently manages the program's development and implementation. He has 22 years of professional experience with emphasis in contract administration, strategic planning, negotiation, finance, marketing, management, and administering and developing economic development projects.

Want to know more? See *The New Markets Tax Credit: A Promising New Tool for Community Revitalization* by Stockton Williams in *Community Investments*: April 2001.