

FLORIDA CONGRESSIONAL BRIEFING

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FLORIDA MEMBERS ARE URGED TO MAKE NMTC PERMANENT

The New Markets Tax Credit (NMTC) has enjoyed bipartisan support throughout its history from President's and Congressional majorities alike. Created by the Community Renewal Tax Relief Act of 2000 (PL 106-554), NMTC has proven to be an essential tool in driving capital investment into the poorest, most severely distressed urban and rural communities across the country... to grow businesses, create jobs, achieve high social impact, and strengthen local economies.

NMTC is an investor tax credit equal to 39% over just 7 years at an annual rate of 5% over the first 3 years and 6% in years 4-7. If an investor redeems the NMTC investment prior to 7 years, all credits can be recaptured with interest and penalty.

Since inception, NMTC has delivered nearly \$80 billion in capital and created nearly 750,000 jobs at a cost to the federal government of less than \$20,000 per job. Federal tax revenue generated by NMTC also generally more than covers the cost of the credit to taxpayers.

A current 5-year extension of the NMTC under the Path Act of 2015 expires in 2019.

All Florida members are urged to make NMTC permanent as part of tax reform.

To date, nine (9) Florida leading members of the House have signed on to H.R. 1098, the New Markets Tax Credit Extension Act of 2017, calling for permanency of the credit.

IN FLORIDA... NMTC IS WORKING

Florida Community Loan Fund (FCLF), Florida's leading statewide CDFI/CDE, has secured a cumulative \$271 million in NMTC allocation for Florida. In 2016, 29 other CDE investor groups targeted up to \$326 Million in NMTC allocation for business and project investment in Florida to create jobs and finance high impact economic and community facility projects.

These allocations mobilize private investment capital and drive investments into locally determined, high-priority projects that create jobs and significant socio-economic impacts that "but for" the credit could not be achieved.

Making the NMTC credit a permanent part of the Tax Code will help Florida for years to come.

¹ FCLF NMTC statistics as of 6/30/2017.
² CDFI Fund and PolicyMap.

Florida Community Loan Fund: ¹

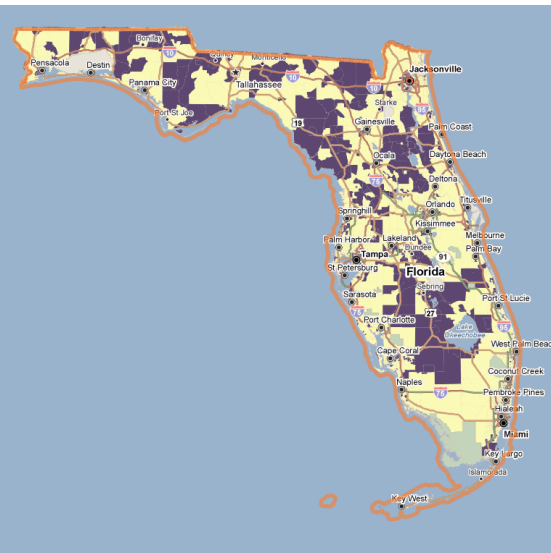
\$207 MILLION NMTC DEPLOYED

\$491 MILLION TOTAL PROJECT COSTS FINANCED

4,593 JOBS CREATED OR RETAINED

1.5 MILLION SQUARE FEET IN NEW FACILITIES BUILT

Florida's 1,493 NMTC Eligible Census Tracts ²



TO SIGN ON TO H.R. 1098, CONTACT:

Rep. Pat Tiberi: **Whitney Daffner**, Legis Director, ph 202.225.5355, Whitney.Daffner@mail.house.gov, or
 Rep. Richard Neal: **Aruna Kalyanam**, ph 202.225.4021, Aruna.Kalyanam@mail.house.gov

FOR MORE INFORMATION ON FLORIDA NMTC, CONTACT:

Rep. Mario Diaz-Balart: **Christopher Sweet**, Legis Director, ph 202.225.4211, Chris.Sweet@mail.house.gov, or
 Rep. Carlos Curbelo: **Adam Wolf**, Legis Director, ph 202.225.2778, Adam.Wolf@mail.house.gov

WHY SUPPORT NMTC? BECAUSE ...

- IT WORKS.** Created nearly 750,000 jobs. From 2003-2015 delivered over \$42 billion in capital to distressed communities, in both urban (80%) and rural (20%) communities with extremely high rates of poverty and unemployment.³
- PAYS FOR ITSELF.** NMTC investments in businesses in low-income communities and jobs created by those businesses generated over \$984 million in federal tax revenue in 2012, more than enough to cover the \$800 million cost of the program in the same year.⁴
- ANSWERS TO LOCAL MARKET INTERESTS AND PRIORITIES.** Instead of Washington picking winners and losers, NMTC places the project underwriting responsibility with community development entities (CDEs) with deep ties to the communities in which they work and supports projects that "but for" the credit could not be achieved.⁵
- OFFERS A PROVEN METHOD FOR LEVERAGING PRIVATE CAPITAL INVESTMENT.** From 2003-2015, NMTC direct capital investments leveraged nearly \$80 billion in total capital investments. According to the U.S. Department of Treasury, every \$1 in foregone tax revenue generally leads to \$8 in private capital investment in distressed communities.⁶
- IS ONE OF THE ONLY MARKET DRIVEN RESOURCES AVAILABLE FOR COMMUNITY REVITALIZATION.** Over the last 40 years Federal spending on community development, as measured by a share of GDP, has dropped by 75%. As a result, there is tremendous pent up private investment demand for NMTC. From 2003-2015, NMTC applications totaled over \$315 billion versus \$50.6 billion in total credits awarded.³

FCLF NMTC PROJECT EXAMPLES



In 2016, \$363 million in NMTC Allocation was targeted to Florida. The following 29 CDFI /CDEs proposed to invest in Florida.

Picerne Advantage Capital Community Development Fund, LLC • AMCREF Community Capital, LLC • Black Business Investment Fund of Central Florida, Inc. • CAHEC New Markets, LLC • Chase New Markets Corporation • Civic Builders, Inc. • Community Impact Fund, LLC • Enhanced Community Development, LLC • ESIC New Markets Partners LP • Florida Community Loan Fund, Inc. • Greenline Community Development Fund, LLC • Habitat for Humanity NMTC, LLC • M&I New Markets Fund, LLC • MBS Urban Initiatives CDE, LLC • Mid-City Community CDE, LLC • Midwest Renewable Capital, LLC • National New Markets Tax Credit Fund, Inc. • Northern CDE Corporation • Pacesetter CDE, Inc. • Popular Community Capital, LLC • Primary Care Development Corporation • Raza Development Fund, Inc. • River Gorge Capital, LLC • Stonehenge Community Development, LLC • SunTrust Community Development Enterprises, LLC • Telesis CDE Corporation • United Bancorporation of Alabama, Inc. • Urban Action Community Development, LLC • Urban Research Park CDE, LLC

³ NMTC Coalition, 2016 Progress Report.

⁴ NMTC Economic Impact Report, December 2012.

⁵ National NMTC Coalition testimony to the House Ways and Means Committee, 2013.

⁶ National NMTC Coalition estimates.