

WHY AUTHORIZE THE CREDIT?

- If Treasury follows past practice, applications for the final round of Credits will be submitted to the U.S. Department of the Treasury this September. The Credits will be awarded in May 2007. **Unless Congress extends the program, it will come to an abrupt end and adversely impact community development and job creation initiatives across the country.**
- The New Markets Tax Credit is a new tool and private financial institutions, corporations and individuals are now moving aggressively to invest in economically distressed communities. If the Credit is not extended and there is a pause in the program, investor confidence will falter.
- While support from investors is important, the range, diversity, and impact on economically distressed communities of projects and businesses financed by the NMTC is the most compelling reason to extend the program. These include:
 - ✓ In Iowa and Wisconsin, the NMTC has filled an important financing gap. The credit needs of Omaha Standard in Council Bluffs, Iowa and Main Street Ingredients in La Crosse, Wisconsin had exceeded the capacity of local financial institutions. Using the NMTC, however, these local businesses were able to reorganize and improve their operations, expand employment opportunities, and add to the local tax base.
 - ✓ In California, the NMTC is bringing resources to a vital and growing need for low income citizens and communities: access to primary and preventative health care. The NMTC has helped to mobilize the interest of a new investor sector – insurance companies – which have invested some \$16.3 million for the financing of community health care centers throughout the Golden State. The results of this effort are still unfolding but initial results are clear: increased and improved health care facilities and services for thousands of people living in low income communities.
 - ✓ The flexibility of the NMTC is evident in a remote corner of Alaska, where the Village of Tyonek uses the proceeds from an investment in the Credit to finance an environmental clean-up company it owns. The investor in this project is Wells Fargo, the New York City-based financial institution.
 - ✓ In the poorest neighborhood in Washington, D.C., the NMTC is financing the first supermarket in decades. When the supermarket is completed, community residents will gain an important retail service and 300 jobs will be created in an economically distressed area.
 - ✓ Finally, in the Gulf Coast region, the NMTC is one of the financing tools that offer hope for the communities and families devastated by Hurricane Katrina. The NMTC is already financing recovery efforts by restoring hospitals and financing business recovery in the Gulf area.