



**The New Markets Tax Credit Extension Act of 2007  
HR 2075/S.1239**

**Sign-on Letter to Members of Congress**

The NMTC Coalition is collecting signatures on the attached letter in support of the New Markets Tax Credit Extension Act of 2007 (H.R. 2075 and S. 1239). This letter will be distributed to Members of Congress to demonstrate the broad base of support for the NMTC.

If your organization would like to sign the letter as a supporter of the New Markets Tax Credit please complete this form and fax it to the New Markets Tax Credit Coalition at 202-393-3034 by *Friday, May 25th*.

If you have any questions about the letter or the NMTC reauthorization effort, please call or email Matt Kopac at 202-204-4500 or [matt@rapoza.org](mailto:matt@rapoza.org).

Contact: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

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For additional information and resources contact:

**The New Markets Tax Credit Coalition**

1250 Eye Street, NW, Suite 902  
Washington, DC 20005

Phone: 202-204-4500 Fax: 202-393-3034

Email: [newmarkets@earthlink.net](mailto:newmarkets@earthlink.net).

[www.newmarketstaxcreditcoalition.org](http://www.newmarketstaxcreditcoalition.org)

Dear Senator/Representative:

We are writing to you to indicate our support for the New Markets Tax Credit Extension Act of 2007 (S. 1239 and H.R. 2075). This legislation would extend the New Markets Tax Credit through 2013 and generate more than \$17 billion in new private investment in poor urban and rural communities across the country.

The New Markets Tax Credit was established in the Community Renewal Tax Relief Act of 2000 to stimulate investment and economic growth in low income urban neighborhoods and rural communities that are traditionally overlooked by conventional capital markets. The NMTC does this by providing investors with a seven-year, 39 percent federal tax credit for investments made through vehicles known as Community Development Entities (CDE). These CDEs use capital derived from the tax credits to make loans to or investments in businesses and projects in low income urban and rural communities.

All indications are that the NMTC is working. To date, NMTC investments in low income communities total over \$7.7 billion and more than 200 CDEs are using the Credit to invest in businesses and support a wide variety of economic development initiatives in poor communities. NMTC financed projects range from an investment by a faith-based CDE in a new childcare facility on the west side of Chicago, to the development of the first new supermarket in the Congress Heights section of Washington, DC in over a decade, to financing the expansion of manufacturing facilities in rural Minnesota in order to retain businesses and jobs.

A recent report by the New Markets Tax Credit Coalition found that CDEs are continuing to raise capital and deploy funds faster than required by law and regulation and the demand for Credit financing is growing. The report also indicates that CDEs are targeting areas with poverty rates higher than 30 percent, incomes below 60 percent of area or statewide median, and unemployment rates greater than 1.5 times the national average, far beyond the requirements of the law and regulations governing the program.

In addition, a recent Government Accountability Office (GAO) report found that the program is effective at increasing investment in low income communities. According to GAO, 88 percent of investors indicated they would not have made the same investments in low income communities without the NMTC. In addition, the GAO report showed that the total dollar amount of investments and number of investors participating in the New Markets program is increasing. At the same time investor returns on the Credit are decreasing, suggesting greater efficiency.

We support the New Markets Tax Credit Extension Act of 2007. We have seen first hand how the Credit can make a difference in our communities. We encourage you to cosponsor this important legislation.

Sincerely,

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