

# New Market Tax Credits Fact Sheet

## What are New Market Tax Credits (NMTCs)?

- NMTCs are intended to spur development in low-income communities of the country as determined by the United States Treasury Department (Treasury). A NMTC provides a tax incentive to the financial institution that finances the project located in a NMTC zone. To see NMTCs in your area follow this link and enter your address:
  - <https://www.cohnreznick.com/nmtc-map>
- Only a certain number of tax credits are allocated to Community Development Entities (CDEs) from the Treasury; this is a highly competitive process.
- The incentive of the program is to provide a lower interest rate to the borrower/developer of the project by providing tax credits to the financial institution financing the project. These tax credits are obtained from the Community Development Financial Institutions (CDFIs) across the country.
- Tax credits are realized over a seven (7) year period by the investor/bank
- Typical NMTC Projects are related to:
  - **Healthcare**
  - **Manufacturing**
  - **Mixed Use**
  - **Community Facilities**
  - **Commercial Developments**
  - **Hospitality**

## CRITERIA for NMTC Project

- Project is in a qualifying census tract (map link above) **OR** project will mainly hire or serve a low-income population
- Project is over \$5,000,000 in total costs
- No more than 80% of the project's ongoing revenue will come from housing rental income
- Project must demonstrate it needs NMTC financing
- Project will benefit the community

## Helpful Hints

- It is best to first contact either a local CDFI or bank that serves your area of the proposed project. MoFi is the primary CDFI for the State of Wyoming, information below:

**MoFi**

**Dave Glaser, President**

**220 E Main Street**

**Missoula, MT 59802**

**(406) 728-9234**

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

