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