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LAW ALERT

TREASURY ANNOUNCES 2012 NEW MARKETS TAX CREDIT ROUND

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On July 13, 2012, the Community Development Financial Institutions Fund ("CDFI Fund") announced the opening of the 2012 round for the New Markets Tax Credit ("NMTC") program. This 2012 round is conditioned on the passage of pending legislation which would extend the NMTC program for this current year and the following year.

The CDFI Fund has conditionally made available \$5 Billion in NMTC for this 2012 round. The deadline for entities applying for this 2012 round of NMTCs is September 12, 2012.

The link below contains important information regarding the 2012 NMTC round, the application for this 2012 NMTC round, and details on CDFI Fund informational sessions about the 2012 application:

http://www.cdfifund.gov/news_events/CD-FI-2012-25-CDFI_Fund_Opens_2012_Competition_Round_of_New_Markets_Tax_Credit_Program.asp

Brief Summary of the NMTC Program

The NMTC program is a tax credit program which promotes investment in businesses and public facilities located in low income communities. In exchange for

a qualified equity investment, pursuant to the NMTC program requirements, an investor is provided a tax credit. The proceeds of the equity investment are utilized to fund low income community businesses located in a qualified low income census tract. Some examples of projects financed with the assistance of NMTCs include community centers, charter schools, medical facilities, child care facilities, historic live theater venues, supermarkets, business incubator facilities, shopping centers, office buildings for public agency or private commercial use, clean technology research facilities, manufacturing plants, mixed use projects, hotels, public libraries, office parks serving nonprofit organizations, and affordable housing.

For more information on the NMTC, please contact Luis A. Rodriguez, Margaret Jung or Amy DeVaudreuil or any other Goldfarb & Lipman attorney at 510-836-6336.

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