

JANUARY 3, 2013

## LAW ALERT

### EXTENSION OF THE NEW MARKETS TAX CREDIT PROGRAM

M David Kroot  
John T. Nagle  
Polly V. Marshall  
Lynn Hutchins  
Karen M. Tiedemann  
Thomas H. Webber  
John T. Haygood  
Dianne Jackson McLean  
Michelle D. Brewer  
Jennifer K. Bell  
Robert C. Mills  
Isabel L. Brown  
James T. Diamond, Jr.  
Margaret F. Jung  
Heather J. Gould  
Juliet E. Cox  
William F. DiCamillo  
Amy DeVaudreuil  
Barbara E. Kautz  
Erica Williams Orcharton  
Luis A. Rodriguez  
Xochitl Carrion  
Rafael Yaquian  
Vincent L. Brown  
Caroline M. Nasella

Facsimile  
510 836-1035  
San Francisco  
415 788-6336  
Los Angeles  
213 627-6336  
San Diego  
619 239-6336

Goldfarb & Lipman LLP

On January 1, 2013, Congress voted to extend the New Markets Tax Credit (“NMTC”) Program for two additional years. The NMTC Program had expired on December 31, 2011. The extension of the NMTC Program is one component of the American Taxpayer Relief Act of 2012, which helped address the nation’s “fiscal cliff” dilemma.

The U.S. Treasury Department, anticipating the extension of the NMTC program, accepted applications for the 2012 NMTC round. Two hundred and eighty two applications were submitted for 2012 NMTC allocations. The U.S Treasury Department publicized that awards for the 2012 NMTC round are planned to be announced in April of 2013.

Congress voted to provide for an allocation of \$3.5 Billion of New Markets Tax Credits each year for 2012 (to be allocated in 2013) and 2013 (to be allocated in 2014).

The link below contains information regarding the 2012 NMTC round:  
[http://www.cdfifund.gov/news\\_events/CDFI-2012-36-CDFI-Fund-Releases-Application-Demand-for-2012-Round-of-NMTC-Program.asp](http://www.cdfifund.gov/news_events/CDFI-2012-36-CDFI-Fund-Releases-Application-Demand-for-2012-Round-of-NMTC-Program.asp)

#### Brief Summary of the NMTC Program

The NMTC program is a tax credit program that 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 businesses or public facilities 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 Program, please contact Luis A. Rodriguez, Margaret Jung, Amy DeVaudreuil or any other Goldfarb & Lipman attorney at 510-836-6336.

This information is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service.

**To receive Law Alerts by E-Mail, please visit:**

<http://goldfarblipman.com/library/>

