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LAW ALERT

TREASURY ANNOUNCES NEW MARKETS TAX CREDIT ALLOCATION AWARDS

On June 5, 2014, the United States Department of Treasury ("Treasury") announced the awardees of New Markets Tax Credits ("NMTC") for the 2013 NMTC round. The Treasury awarded a total \$3.5 billion of NMTC to eighty-seven community development entities ("CDEs") this round.

Information about the 2013 NMTC allocation awards and the NMTC Program can be found on the Treasury Website:

http://cdfifund.gov/news_events/CDFI-2014-19-Treasury_Announces_3.5_Billion_NMTC_Award_s.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 in a CDE, an investor becomes eligible to receive tax credits from the federal government. The CDE then provides a loan or an equity investment to a qualified active low income community business ("QALICB") that is located in a qualified low income census tract or that provides services or employment opportunities to "targeted populations" comprised of low income individuals.

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 use, clean technology research facilities, manufacturing plants, mixed use projects, hotels, public libraries, office parks serving nonprofit organizations, and affordable housing.

Goldfarb & Lipman has successfully represented public agencies and nonprofit corporations in structuring and closing NMTC transactions. We have assisted QALICBs, CDEs and leverage lenders in these transactions.

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

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