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LAW ALERT

TREASURY ANNOUNCES 2011 NEW MARKETS TAX CREDIT AWARDS

On February 23, 2012, the United States Department of Treasury ("Treasury") announced the awardees of New Markets Tax Credits ("NMTC") for the 2011 NMTC round. Seventy community development entities ("CDEs") were awarded NMTC. Treasury awarded a total of \$3.6 billion of NMTC for this 2011 round.

In California, twenty-one (21) CDEs were awarded NMTC which can be used to help finance businesses and real estate projects located in distressed California communities. These twenty-one (21) CDEs received a total of \$1.210 billion in NMTC.

A list of CDEs awarded NMTC and additional information about the NMTC program can be found on this [Treasury web site](#).

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 is provided a tax credit. The CDE then provides a loan or an equity investment to a qualified active low income community business located in a

qualified low income census tract. Some examples of projects financed with the assistance of NMTC 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.

More on NMTC

For information about the President's recent budget proposal to extend the NMTC through 2013 and the adoption of Final Regulations regarding "Targeted Populations," please see our [February 16, 2012 Law Alert](#).

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

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