

TREASURY ANNOUNCES NEW MARKETS TAX CREDITS ALLOCATION AWARDS

On September 22, 2023, the United States Department of Treasury's Community Development Financial Institutions Fund ("CDFI Fund") announced the awardees of New Markets Tax Credits ("NMTC") for the CY 2022 round of the NMTC program. The Treasury awarded a total of \$5 billion of NMTC to 102 community development entities ("CDEs") for this round, selected from a pool of 197 applicants.

Information about the 2022 NMTC allocation awards and the NMTC Program can be found on the CDFI Fund website [here](#).

BRIEF SUMMARY OF THE NMTC PROGRAM

The NMTC program is a tax-credit program that promotes investment in businesses and public facilities located in or serving 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" composed of low-income individuals.

Some examples of projects financed with the assistance of NMTC include community centers, day care centers, charter schools, medical facilities, childcare 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.

To date, over \$76 billion in NMTC have been awarded to stimulate investment in low-income communities since the NMTC program's inception in 2002.

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.