

Treasury Announces New Markets Tax Credits Allocation Awards

On July 15, 2024, the United States Department of Treasury's Community Development Financial Institutions Fund ("CDFI Fund") announced the next round of New Markets Tax Credits ("NMTC") for combined calendar years ("CY") 2024 and 2025. The Treasury plans to award \$10 billion in NMTCs in total. The CY 2024/2025 round is anticipated to open in the fall of 2024, with an application deadline in early 2025, and allocations announced in fall 2025.

Information about the CY 2024/2025 NMTC allocation round 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.

According to the CDFI Fund, the NMTC program has generated [\\$8 of private investment](#) for every dollar of federal funding. 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. The CDFI Fund anticipates announcing CY 2023 allocation awards in late summer or early fall.

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.

If you need more information on this issue, please contact [Elizabeth Klueck](#), [Rafael Yaquian](#), [Estrella Lucero](#), or any other attorney at Goldfarb & Lipman LLP.

Law Alert is published by Goldfarb & Lipman LLP as a timely reporting service to alert clients and others of recent changes in case law, opinions or codes. This alert does not represent the legal opinion of the firm or any member of the firm on the issues described, and the information contained in this publication should not be construed as legal advice. Should further analysis or explanation of the subject matter be required, please contact the attorney with whom you normally consult.