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U.S. Treasury awards \$5 billion in New Markets Tax Credit (NMTC) allocations

The U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) fund today announced \$5 billion in New Markets Tax Credits (NMTCs)—bringing the total amount awarded through the NMTC program to more than \$81 billion.

According to the [CDFI announcement](#), the NMTC awards were made to 104 community development entities (CDEs) made through the calendar year 2023 round of the NMTC program. The award recipients are headquartered in 35 different states, Puerto Rico, and the District of Columbia. Over 20% of the investments will be made in rural communities. It is estimated that these award recipients will make nearly \$1.2 billion in NMTC investments in non-metropolitan counties.

Read the list of CDEs awarded NMTC allocations in calendar year 2023 in the [NMTC program award book CY 2023](#)

Background

Historically, NMTC awards have generated \$8 of private investment for every \$1 invested by the federal government. Through the end of fiscal year 2023, NMTC program award recipients deployed more than \$63.6 billion in investments in low-income communities and businesses—resulting in the creation or retention of more than 894,000 jobs, and the construction or rehabilitation of more than 259.5 million square feet of commercial real estate.

The NMTC program permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in CDEs. CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities. The tax credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year period. The CDEs in turn use the capital raised to make investments in low-income communities.

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