



TaxNewsFlash

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U.S. Treasury to allocate \$10 billion in New Markets Tax Credit (NMTC) authority for 2024 and 2025

The U.S. Treasury Department's Community Development Financial Institutions Fund (CDFI Fund) today released the "notice of allocation availability" (NOAA) for the New Markets Tax Credit (NMTC) program for 2024-2025. A total of \$10 billion in allocation authority is available.

Background

The NMTC program encourages private sector investment in distressed communities by offering a tax credit to those who make qualified equity investments (QEIs) in community development entities (CDEs), which then invest in businesses in low-income areas. The tax credit amounts to 39% of the investment, claimed over seven years.

According to a [CDFI Fund webpage](#), as of the end of fiscal year 2021, the NMTC program has generated \$8 of private investment for every dollar of federal funding. In addition, the NMTC program has constructed or rehabilitated nearly 259.5 million square feet of commercial real estate and created or retained more than 894,000 jobs.

In addition, a [CDFI Fund release](#) (November 19, 2024) notes that 1,667 awards have been made to date—totaling \$81 billion in tax allocation authority.

Changes to NMTC program for 2024-2025

- NOAA:
 - Applicants must meet all eligibility requirements in the CY 2024-2025 NOAA, including having been certified as a CDE as of the Federal Register publication date of the NOAA and updated QEI and qualified low-income community investments (QLICIs) thresholds for prior allocatees.
- NMTC program application:
 - Question 25 has been updated to include two new sub-questions for applicants to indicate (1) the extent their NMTC investments will serve areas of deep distress, U.S. territories, high migration rural counties, and NMTC Native Areas; and (2) its track record of serving such areas.
 - Question 27 has been revised to include additional sub-questions related to the applicant's community accountability and involvement.

- Updates to various definitions in the NMTC program application glossary, including the definition of “disadvantaged businesses.”
- Additional revisions were made to clarify instructions and streamline the information collected.
- NMTC program application “frequently asked questions” (FAQs):
 - The CY 2024-2025 NMTC program application FAQs includes new and revised guidance that is important in completing the application.

Important deadlines

- NMTC application registration in Awards Management Information System (AMIS): December 5, 2024
- NMTC allocation application submission in AMIS: January 29, 2025
- QEI issuance and QLICI requirements: April 17, 2025
- Report QEIs and certify QLICIs in AMIS: April 24, 2025

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