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Tax Cuts and Jobs Act of 2017 to Slash New Markets Tax Credit Program

Washington, DC, November 6, 2017 – Today, the US House of Representatives Ways and Means Committee began the markup of the Tax Cuts and Jobs Act of 2017. If passed, this legislation as currently drafted would effectively eliminate the New Markets Tax Credit (NMTC) Program, which has been widely recognized as one of the most effective Federal programs to create jobs and promote small business in distressed rural and urban communities.

The NMTC Program works to break the cycle of disinvestment in low-income communities by attracting the private investment necessary to reinvigorate struggling local economies. For every \$1 of federal funding, the Program generates \$8 of private investment. Since 2003, the Program has:

- Leveraged over \$80 billion in total project investments
- Created nearly 750,000 jobs
- Financed over 5,400 businesses
- Created over 178 million square feet of manufacturing, office, and retail space

Termination of the NMTC Program will negatively impact the poorest rural and urban areas by immediately eliminating \$14 billion in financing for business expansions, daycare facilities, hospitals, charter schools, and other important revitalization projects.

“The New Markets Tax Credit Program is critically important for creating jobs and economic activity in low-income communities,” said Jeannine Jacokes, CEO of the Community Development Bankers Association. “Most importantly, the economic activity that the NMTC Program generates more than pays for itself.”

The House Ways and Means Committee is scheduled to complete its markup of the Tax Cuts and Jobs Act by the end of the week.

About the CDFI Fund

The Community Development Financial Institutions (CDFI) Fund was created by the Riegle Community Development and Regulatory Improvement Act of 1994. As a bureau of the US Treasury Department, the CDFI Fund operates programs that use modest amounts of Federal money to leverage a multiple of private sector capital to promote revitalization of low-income communities and bring disenfranchised populations into the economic mainstream. Since the launch of the CDFI Program, eligible organizations have received over \$2 billion in Financial and Technical Assistance, and the number of certified CDFIs has increased tenfold.

About CDBA

The Community Development Bankers Association is the voice and champion of the community development banking movement. CDBA and its 69 member banks work to make the banking industry a force for good by collectively promoting financial inclusion and creating economic opportunity in the nation's most economically distressed rural and urban communities. We convene community banking peers who strengthen a different kind of banking through collaboration, partnership, and learning.

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