

# FY16 Promise Zone Benefits from Partnering Agencies

**Agency:** U.S. Department Of The Treasury  
Community Development Financial Institutions Fund

**Programs with PZ Benefits:**  
New Markets Tax Credit Program

## New Markets Tax Credit Program

**Website:** [www.cdfifund.gov/nmtc](http://www.cdfifund.gov/nmtc)

**Benefit Type:** Tax Credit Allocation Authority

**Eligible Communities:** Urban, Rural, and Tribal

New Markets Tax Credit (NMTC) investments are made in Low-Income Communities located in eligible census tracts based on poverty rates and Area Median Income. To view NMTC eligible census tracts in Promise Zones, please visit the following link: <http://www.huduser.org/nmtc/nmtc.html>. To locate all NMTC eligible census tracts, please visit the CDFI Information Mapping System webpage: [www.cdfifund.gov/mapping/](http://www.cdfifund.gov/mapping/).

**Eligible Applicants:** An organization wishing to receive awards under the NMTC Program must be certified as a Community Development Entity (CDE) by the CDFI Fund. For the 2015 NMTC application round, an organization must have submitted a CDE Certification Application by November 6, 2015 to be eligible to apply for allocation of NMTCs.

For more detailed information on the CDE certification process and CDE certification application materials, please visit the CDE Certification webpage: <http://www.cdfifund.gov/cde>.

Another strategy to receive NMTC financing in your community is to partner with existing CDEs that have received allocation authority in the past and/or CDEs that are applying for allocation authority in the 2015 round. To locate existing CDEs that have articulated plans to invest in particular states, please visit: <https://www.cdfifund.gov/StatesServed>.

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**Benefits to Promise Zone:** Promise Zones have been included in Question 24 of the 2015 NMTC Allocation Application under the Federal/State/Local Zones category. In Question 24, applicants are asked to identify the types of areas that they will target for NMTC investment and whether the Applicant will commit to providing at least 75% of its NMTC financing in the types of areas selected. Applicants that make the 75 percent commitment will generally be scored more favorably. Additional guidance can be found in Question 57 of the 2015 NMTC Application FAQs found at: <http://www.cdfifund.gov/nmtc>.

**Funding Amount:** Tax Credit Allocation Award amounts up to \$125 million per CDE.

### **Application Deadlines:**

- Online Submission of Allocation Application by CDEs: **December 16, 2015**
- Online Submission of Application Attachments: **December 18, 2015**
- 2016 NMTC Program Awards Announced: **Spring 2016**

**Background:** The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years). The investment in the CDE cannot be redeemed before the end of the seven-year period.

**Application Materials:** The 2015 Notice of Allocation Authority (NOAA), the 2015 Allocation Application, and other important application materials for the New Markets Tax Credit Program are available at: [www.cdfifund.gov/nmtc](http://www.cdfifund.gov/nmtc). application materials for the New Markets Tax Credit Program are available at: [www.cdfifund.gov/nmtc](http://www.cdfifund.gov/nmtc).