

# TaxNewsFlash

## United States

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### **Treasury announces allocation availability of New Markets Tax Credit awards**

The U.S. Treasury Department's Community Development Financial Institutions Fund (CDFI Fund) today released a notice of allocation availability for the 2017 round of the New Markets Tax Credit (NMTC) program totaling \$3.5 billion.

The [notice of allocation availability](#) for calendar year 2017 will be published in the Federal Register on May 4, 2017.

#### **Deadlines**

Community Development Entity (CDE) certification application	May 17, 2017
NMTC electronic application submission	June 21, 2017
Prior allocatees' issuance of qualified equity investments	August 18, 2017

#### **Background**

The NMTC program allows an investor a tax credit against its federal income taxes for making qualified equity investments (QEIs) in entities known as CDEs. The Treasury Department allocates the NMTC credits to the CDEs which, in turn, make qualifying investments (generally loans) to businesses located in low-income communities. The NMTC totals 39% of the cost of the QEI in the CDE and is claimed over a seven-year credit period. Investors in leveraged NMTC transactions can increase their tax benefit by pooling borrowed funds with their cash investments to receive tax credit on the full

amount of their cash investment. Qualified business benefit from favorable NMTC financing terms.

For more information, contact a tax professional with KPMG's Washington National Tax:

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