



## **DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS**

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### **TREASURY ANNOUNCES \$3.5 BILLION TO HELP NATION'S LOW-INCOME COMMUNITIES THROUGH NEW MARKET TAX CREDIT PROGRAM**

Secretary John W. Snow today announced that 62 organizations have been selected by the U.S. Department of the Treasury to receive a total of \$3.5 billion in tax credit allocations through the second round of the New Markets Tax Credit (NMTC) Program. Secretary Snow highlighted today's awards in Racine, Wisconsin. Snow presented the Johnson Community Development Company with a \$52 million NMTC allocation award to fund economic development projects in low-income areas promoting job growth and wealth creation throughout the state of Wisconsin and in Maricopa County, Arizona.

"President Bush and his administration are committed to creating opportunity and growth in every corner of this great country. This year's New Market Tax Credit awards will provide new hope for prosperity in many areas that have been particularly hard-hit," said Secretary John W. Snow

Treasury Deputy Secretary Samuel W. Bodman presented NMTC awards today to five community development entities based in Massachusetts: Affirmative New Markets; Boston Community Capital Inc; Massachusetts Housing Investment Corporation; MassDevelopment New Markets, LLC; and Rockland Trust Community Development.

Secretary Snow will present certificates to the five NMTC recipients from Illinois at an event at the Pablo F. Friere Childcare Center in Chicago, Illinois, on Friday May 7.

The New Market Tax Credit Program attracts private-sector capital investment into urban and rural low-income areas to help finance community development projects, stimulate economic opportunity and create jobs in the areas that need it most. The NMTC Program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in investment vehicles known as Community Development Entities (CDEs).

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Substantially all of the taxpayer's investment must in turn be used by the CDE to make qualified investments supporting certain business activities in low-income communities. The credit provided to the investor totals 39 percent of the initial value of the investment and is claimed over a seven-year credit allowance period. The 62 organizations receiving tax credit allocations this year were selected through a competitive application and rigorous review process.

"From foresting businesses in the communities of north-central Maine, to a start-up manufacturing business in south-eastern Ohio, to child-care facilities and needed shopping centers in many of our inner-city low-income neighborhoods, the New Markets Tax Credit Program has already begun to improve the communities in which these investments are being made," said Secretary Snow, highlighting the work already underway by organizations that received allocations of tax credits last year.

The NMTC Program is administered by Treasury's Community Development Financial Institutions (CDFI) Fund. The CDFI Fund anticipates that applications for the third round of the NMTC Program will be available during the summer of 2004. A complete list of 2004 New Markets recipients and additional information can be found on the CDFI Fund's Web site: <http://www.cdfifund.gov/>