



New Markets Tax Credit Services

Ryan's Credits and Incentives team of professionals can add value to your business's capital investment project by decreasing cost of capital through New Markets Tax Credit (NMTC)-based financing. The NMTC program was enacted under the Community Renewal Tax Relief Act of 2000 and is administered by the Treasury's Community Development Financial Institutions (CDFI) fund. The NMTC program is intended to promote private-sector equity investment in traditionally low-income communities for the purpose of economic and community development. The program was recently extended through 2019.

Tremendous Opportunity

Each year, \$3.5 billion worth of NMTC are allocated to community development entities (CDEs) who then sub-allocate NMTC to businesses or project owners that commit to invest in projects located in eligible low-income communities (LICs) that have a 20% or higher poverty rate and/or median income that does not exceed 80% of the statewide median income. Approximately 40% of the geographic area of the United States is eligible for the NMTC program. CDEs are responsible for selecting and financing projects based on their economic development and community impacts.

The NMTC is a tax credit that is monetized and then utilized in the form of a significantly below-market rate interest only loan. By structuring the NMTC transaction properly, a project can obtain substantial cash flow at the project's inception, thus decreasing a company's cost of capital and increasing the rate of return. The potential up-front cash benefit for qualified projects can range between 15–20% of the projected capital investment. Projects costing between \$8 million and \$30 million are ideal.

The Ryan Advantage

Ryan's dedicated team of NMTC experts can help navigate the complexities of the NMTC program by identifying qualified CDEs for financing, obtaining commitments from CDEs, identifying possible tax credit investors, advising on tax matters, and preparing application and compliance documentation.

If your company is investing in new or existing locations in the form of construction, equipment, and/or headcount, please reach out to us.

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Priority States and Territories

All states qualify for NMTC benefits; however, the states below have been identified as underserved and receive higher priority for funding.

- Arkansas
- Florida
- Georgia
- Idaho
- Kansas
- Nevada
- Tennessee
- Texas
- West Virginia
- Wyoming
- Puerto Rico
- Guam
- Northern Mariana Islands
- U.S. Virgin Islands

Award-Winning Tax Services

For additional information

1.855.RYAN.TAX

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