CITY OF INDIANAPOLIS SEEKS PROJECTS FOR NEW MARKETS TAX CREDIT PROGRAM

INDIANAPOLIS – The City of Indianapolis is seeking applications for the New Markets Tax Credit (NMTC) program for use in investment projects with strong community impact in underserved areas that will help revitalize the neighborhoods involved and produce benefits for low-income residents.

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 Community Development Entities (CDEs). The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer’s investment must in turn be used by the CDE to make qualified investments in low-income communities. Successful applicants are selected only after a competitive application and rigorous review process that is administered by the Community Development Financial Institutions Fund.

On Feb. 24, 2011, the U.S. Treasury Department awarded $32 million of Fiscal Year 2010 NMTC to the City of Indianapolis to give to qualifying investors. The Department of Metropolitan Development is accepting applications for projects in central city neighborhoods that have most of their funding in place.

New Markets Tax Credits can be used for commercial, industrial, office and retail projects and are designed to leverage investment into businesses and real estate projects to create jobs and promote growth in areas with high rates of poverty and unemployment. For projects to be considered, completed application forms must be submitted to the City of Indianapolis on or before April 15, 2011. Projects must have a minimum total development cost of $5 million and must have existing financing commitments for at least 80 percent of the total development costs. Priority will be given to projects that can close quickly.

For more information or an application, contact George Courtney at (317) 327-5854 or george.courtney@indy.gov or Rick May at (317) 327-3701 or at richard.may@indy.gov.

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