INDIANAPOLIS- The City of Indianapolis has been awarded $32 million in New Markets Tax Credits (NMTC) from the U.S. Treasury Department. Indianapolis is one of 99 organizations across the nation to receive the allocation from awards announced by Community Development Financial Institutions Fund. These awards leverage billions of investment into businesses and real estate projects to create jobs and promote growth in communities with high rates of poverty and unemployment.

Community Development Entity
The City of Indianapolis formed a Community Development Entity (CDE) and successfully applied for the 2010 round of New Markets Tax Credits. The CDE will make loans and investments in qualifying businesses and real estate developments in low-income, economically distressed and underserved communities. The provision of private investment capital will facilitate a wide variety of economic and community development activities in high distressed census tracts that will create jobs and spur additional economic development. Qualified equity investments could be made in a range of the economy’s sectors including manufacturing, distribution, energy, education and healthcare. The City will be working with developers and owners of projects who are seeking additional financing to complete their plans.

About New Markets Tax Credits
The NMTC, established by Congress in December 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making equity investments in investment vehicles known as 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. CDEs must apply to the Treasury Department’s Community Development Financial Institutions Fund (CDFI Fund) to compete for this allocation authority. The 99 organizations receiving awards were selected from a pool of 250 applicants that requested over $23.5 billion. They are headquartered in 27 different states and the District of Columbia; but have identified principal service areas that will cover nearly every state in the country, as well the District of Columbia.

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