

FEEDBACK

Congress should vote to reinstate pro-business tax credit program

During this time in our nation's economy, it's challenging for established businesses to qualify for loans that fund expansions and new programs. For nonprofit organizations providing essential services to underserved communities, obtaining funding is an even greater hurdle.

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Fortunately, a number of critical health, education and social services programs have received funding in the past several years, including: neighborhood health centers like Spectrum Health Services in Philadelphia, Mattapan Community Health Center in Boston, and Mary's Center for Maternal and Child Care in D.C., which provide services and treatment to local communities; rural and urban charter schools such as Berkshire Arts & Technology Charter Public School in Massachusetts and The E.L. Haynes Public Charter School in D.C., which provide quality education to low-income populations; and centers such as the Bromley-Heath housing development's day-care center in Boston that provides childcare for low-income residents of Jamaica Plain.

These programs share a critical common link: their expansions were funded by the New Markets Tax Credit (NMTC).

It may soon be impossible for organizations like these to expand their programs with NMTC funding. The NMTC legislation expired in December 2011, but fortunately the program (established in 2000) can be renewed retroactively by Congress.

The financial benefits of the NMTC program are clear. According to the New Markets Tax Credit Coalition, an industry trade group, community development organizations that used the NMTC to create jobs and business opportunities in communities hard hit by the recession reported that they invested \$2.3 billion in 363 businesses in 46 states and the District of Columbia in 2011.

The Coalition calculates that between 2003 and 2010, it cost the federal government \$5.43 billion to generate \$45 billion in investment in NMTC businesses — a leverage of approximately 8-to-1. As the nation continues to struggle with high unemployment, NMTC programs create job opportunities; it is believed that between 2003 and 2010, NMTC investments created or protected 300,000 jobs.