

Empire State Development News

Press Office

Warner Johnston (ESD) | 212.803.3740
wjohnston@empire.state.ny.us

FOR RELEASE: IMMEDIATE

5/27/2009

ESD RECEIVES \$30 MILLION ALLOCATION OF NEW MARKETS TAX CREDITS FOR LOW-INCOME CENSUS TRACTS UNDER RECOVERY ACT

U.S. Treasury Secretary Tim Geithner says New York State among 32 organizations receiving awards to encourage private sector investments

Empire State Development today announced that it has received a \$30 million allocation of tax credits under the New Markets Tax Credits (NMTC) Program administered by the U.S. Department of Treasury's Community Development Financial Institutions (CDFI) Fund.

"The economic development projects that will be served by this tax credit allocation will be catalytic, serving as anchors to attract additional private investments and to initiate redevelopment in severely distressed communities," said Governor David A. Paterson. "I wish to thank President Obama, our entire Congressional Delegation and Secretary Geithner for recognizing the great need to provide these types of economic benefits—low-interest loans for real estate transactions where the borrower is an operating business developing its own project or a developer who will lease space to third-party users—especially in low-income communities."

"This is superb news, especially as it is the first time that ESD has been awarded New Markets Tax Credits," said Empire State Development President & CEO Marisa Lago. "Thanks to the Recovery Act, we will be able to spur private-sector capital investment in our communities, creating jobs, stimulating economic growth and jumpstarting the lending necessary for financial stability in low-income communities across New York State."

The American Recovery and Reinvestment Act of 2009 authorized \$3 billion of additional allocation authority to be divided equally between the 2008 and 2009 rounds of the NMTC Program. The U.S. Department of the Treasury's CDFI Fund administers the NMTC Program.

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). The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. A majority of the taxpayer's investment must in turn be used by the CDE to make qualified investments in low-income communities. Empire State New Markets Corporation (ESNMC) is the CDE created by Empire State Development.

Empire State Development is New York's chief economic development agency. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit www.nylovesbiz.com.

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