

**Fact Sheet: The New Markets Tax Credit (NMTC) Extension Act of 2025 (S. 479/H.R. 1103)****Leads:** S. 479: Daines (R-MT)/Warner (D-VA). H.R. 1103: Tenney (R-NY), Sewell (D-AL)**SUMMARY**

- Provides an indefinite extension of the NMTC, boosting its efficiency and delivering more capital to communities.
- Authorizes \$5 billion in annual allocation authority, indexed to inflation in the out-years.
- Brings new investors by exempting the NMTC from the Alternative Minimum Tax.

**KEY POINTS**

- **Benefits of a permanent authorization:** It not only provide greater certainty for investors and businesses, but it will also improve NMTC equity pricing. After the 5-year extension enacted in 2020, new investors entered the program, and equity pricing improved. A permanent extension will broaden the investor market and increase pricing, delivering more benefits to businesses from each federal dollar.
- **The White House FY26 Budget indicated support for the NMTC:** *“Remaining [CDFI Fund], funding supports oversight and closeout of prior awards, maintaining CDFI certification, and support for New Markets Tax Credit administration and the zero-cost Bond Guarantee Program.”*
- In 2019, President Trump signed legislation increasing the annual allocation level from \$3.5 billion to \$5 billion (a 44 percent increase) and then signed a five-year extension of the program in 2020 at \$5 billion in annual authority. The NMTC expires on December 31, 2025.

**ABOUT THE NEW MARKETS TAX CREDIT**

Congress authorized the NMTC in 2000 to bring down the cost of capital in under-invested communities, and since that time, the NMTC has become important source of financing for businesses and facilities. Taxpayers receive a 39 percent tax credit (over seven years) for qualified investments into Community Development Entities (CDEs), organizations with a track record of loans and investments in underserved areas. CDEs use the proceeds of those investments to finance business expansions, health centers, daycare facilities, business incubators, and other important revitalization projects.

**NMTC BY THE NUMBERS (THROUGH 2024)**

- NMTC allocations totaling \$76 billion have delivered over \$143 billion in financing to 8,900+ projects.
- The NMTC has created over 1.25 million jobs at a federal cost of less than \$20k per job.
- The NMTC financed 2,000 manufacturing and industrial business expansions.
- NMTC has financed over 3,800 health centers, charter schools, daycare centers, apprenticeship programs, and other service providers.

**SUPPORTING RURAL AMERICA**

- In 2024, over 30 percent of NMTC projects were in rural communities.
- Since 2020, the program has created nearly 35,000 rural manufacturing jobs.

For more information on the NMTC (by state and congressional district), visit [nmtccoalition.org/projects](https://nmtccoalition.org/projects).

# The NMTC Extension Act of 2025 (S. 479/H.R. 1103)

## S. 479 Cosponsors

Leads: Sens. Steve Daines [R-MT] & Mark Warner [D-VA]

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## H.R. 1103 Cosponsors

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\*Denotes original cosponsor  
Cosponsors updated 6/3/2025