

Implementation

TASK 5

TASK 5:

Establish New Markets Tax Credit Venture Fund

The New Orleans Partnership will primarily utilize the federal government incentives available through the New Markets Tax Credit Program to create a city-wide venture fund with total assets of \$250 million, \$10-20 million in the next 9-12 months and \$250 million in the next 18-24 months. The New Market Tax Credit Program utilizes federal incentives to attract private capital into distressed urban and rural communities and will greatly increase capital available to local entrepreneurs and businesses in the New Orleans area. The New Orleans partnership will assist in attracting investors and evaluating potential investments. Potential sources of funding include local and regional corporations and financial institutions, real estate investment trusts, private equity funds, venture capitalists and private investors.



TASK 5: *continued*

NEW MARKETS TAX CREDIT (NMTC)

Enacted as part of the Community Renewal Tax Relief Act of 2000, the NMTC is a vehicle that will be used to attract capital and provide tax incentives for investors. It allows investors to claim tax credits equal to 30% of their qualified investments.

The NMTC program has been allocated \$15 Billion in tax credit allocations over 5 years. These tax credit allocations are available to Community Development Entities (CDEs) whose sole or primary purpose is to invest in economic development projects in low-income communities.

