



House GOP Tax Plan Robs Local Communities

On the campaign trail, President Trump promised Americans that revitalizing our nation's neighborhoods was one of his top priorities.¹ Now, House Republicans are taking aim at tax incentives that lift up working families and promote infrastructure spending in struggling communities across the nation. These incentives are supported by both Republicans and Democrats, and benefit manufacturing workers, health care professionals, and school teachers, among others.² Eliminating them would cripple economic progress in thousands of rural and urban communities, stripping working Americans of new job opportunities, higher wages, and affordable housing.

Endangers Community Investments in Families. The House GOP plan ends the New Market Tax Credits (NMTCs) program, which boosts economic opportunity in distressed neighborhoods and rural communities. Through a federal tax credit, the NMTC funds hundreds of hospitals, daycare facilities, alternative energy projects, and small businesses each year, and has generated **more than 750,000 jobs and \$80 billion** in community investments.³ In New Mexico alone, the NMTC has spurred over \$600 million in community investments and created over 4,000 full-time jobs since 2003.

Puts Local Budgets At Risk. The plan also wipes out private activity bonds (PABs), which support a range of community investments, including colleges, rural cooperatives, airports, and affordable housing units.⁴ Eliminating PABs could jeopardize hundreds of thousands of jobs, reduce the number of rental homes by **nearly 1 million** over the next decade, and raise the cost of borrowing for state and local governments **by as much as 35 percent**.⁵ Higher borrowing costs will squeeze local and state governments, forcing them to cut funding in key areas like infrastructure and education.

¹ https://www.washingtonpost.com/politics/trump-aide-makes-apparent-threat-against-megyn-kelly-after-on-air-tiff/2016/10/26/59f260fe-9b71-11e6-9980-50913d68each_story.html?utm_term=.2451d2f74bd6

² <http://nmtccoalition.org/stories/>

³ <http://nmtccoalition.org/wp-content/uploads/2017/10/Oct-2017-Sign-On-Letter.pdf>;
<http://nmtccoalition.org/2017/10/18/thousands-of-organizations-urge-congress-to-save-nmtc-in-tax-reform/>;
<http://nmtccoalition.org/wp-content/uploads/A-Decade-of-the-NMTC.pdf>

⁴ <http://www.gfoa.org/member-alert-private-activity-bonds>

⁵

https://twitter.com/NYCHousing/status/926457868970315777/photo/1?ref_src=twsrc%5Etfw&ref_url=http%3A%2F%2Fwww.governing.com%2Ftopics%2Ffinance%2Fgov-gop-republican-congress-trump-tax-reform-muni-market.html; <https://www.novoco.com/notes-from-novogradac/tax-reform-bill-would-eliminate-future-supply-nearly-1-million-affordable-rental-housing-units>;
[https://www.cdfa.net/cdfa/cdfaweb.nsf/0/FC5E114C5564169B882581CE00100B88/\\$file/Senate%20House%20Tax%20Reform%20Response%20-%20CDFA%202017.pdf](https://www.cdfa.net/cdfa/cdfaweb.nsf/0/FC5E114C5564169B882581CE00100B88/$file/Senate%20House%20Tax%20Reform%20Response%20-%20CDFA%202017.pdf)

House GOP Tax Plan Threatens Jobs From New Market Tax Credit

State	New Market Tax Credit Investment (\$ millions)	Additional Investment From Other Sources (\$ millions)	Projects Funded	Construction Jobs Created	Total Permanent, Full-Time Jobs Created
Alabama	\$317	\$240	33	2,823	3,036
Alaska	\$255	\$22	29	1,124	1,401
Arizona	\$693	\$671	80	12,265	5,870
Arkansas	\$272	\$295	40	5,291	1,550
California	\$3,390	\$2,730	444	48,941	27,233
Colorado	\$449	\$378	90	6,819	3,072
Connecticut	\$355	\$518	28	7,126	2,866
Delaware	\$106	\$96	11	1,515	812
District of Columbia	\$751	\$769	55	7,623	3,919
Florida	\$970	\$728	116	13,973	9,075
Georgia	\$600	\$540	49	8,403	6,042
Hawaii	\$97	\$79	8	714	2,400
Idaho	\$95	\$29	30	427	495
Illinois	\$1,160	\$813	183	13,333	8,671
Indiana	\$386	\$110	44	3,163	3,271
Iowa	\$350	\$251	36	3,691	3,309
Kansas	\$59	\$24	5	673	268
Kentucky	\$733	\$884	130	14,178	8,391
Louisiana	\$2,460	\$2,610	229	34,082	19,120
Maine	\$408	\$402	31	4,466	9,373
Maryland	\$933	\$2,310	74	27,097	7,684
Massachusetts	\$1,820	\$884	241	16,260	15,055
Michigan	\$1,080	\$924	88	16,643	8,968
Minnesota	\$1,000	\$602	159	11,115	8,577
Mississippi	\$876	\$1,100	100	10,308	8,573
Missouri	\$1,640	\$1,360	177	12,167	12,083
Montana	\$194	\$18	21	1,495	861
Nebraska	\$146	\$157	20	2,285	482
Nevada	\$30	\$16	9	33	87
New Hampshire	\$201	\$278	14	452	1,769
New Jersey	\$1,050	\$1,240	91	15,729	12,141
New Mexico	\$221	\$412	19	3,332	4,106
New York	\$2,920	\$4,660	219	55,151	22,630
North Carolina	\$838	\$1,060	93	18,694	6,892
North Dakota	\$69	\$11	7	402	487
Ohio	\$1,970	\$1,810	376	35,777	13,726
Oklahoma	\$580	\$368	75	7,049	5,266
Oregon	\$843	\$887	118	14,930	16,509
Pennsylvania	\$1,390	\$1,580	138	10,401	10,739
Rhode Island	\$405	\$396	59	7,664	2,119
South Carolina	\$658	\$542	61	9,402	4,894
South Dakota	\$132	\$22	9	979	1,183
Tennessee	\$370	\$350	74	1,742	2,716
Texas	\$1,240	\$759	137	13,625	13,056
Utah	\$253	\$107	44	2,604	2,452
Vermont	\$175	\$32	14	269	778
Virginia	\$645	\$612	61	10,791	4,218
Washington	\$1,120	\$903	109	12,346	11,584
West Virginia	\$98	\$281	17	1,787	4,747
Wisconsin	\$1,610	\$1,280	234	22,087	10,544
Wyoming	\$13	\$11	3	100	211

Source: New Market Tax Credit Coalition.

Notes: Numbers are totals from 2003 to 2014.