Overview: New Market Tax Credits

New Markets Tax Credit (NMTC) Eligibility:

The 2nd and Hansen Site is located within a census tract that qualifies for the Federal New Markets Tax Credit (NMTC) program, administered by the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund.

The NMTC program is designed to stimulate private investment in low-income communities by providing federal tax credits to investors who make equity investments in qualified projects through certified Community Development Entities (CDEs).

CDFI Fund Mapping Tool (NMTC Eligibility): https://www.cdfifund.gov/mapping-system.

Eligible projects may benefit from:

- Subordinated, low-interest financing or equity investments provided through NMTC structures;
- Enhanced feasibility for mixed-use, commercial, cultural, community-serving, and job-creating projects;
- The ability to layer NMTC financing with other tools, including OZ equity, tax increment financing (TIF), structured parking participation, and conventional debt, subject to federal compliance requirements.

Common Downtown-eligible NMTC-supported uses include, but are not limited to:

- Ground-floor commercial and retail space;
- Office, co-working, and business incubation space;
- Cultural, educational, museum, and entertainment facilities;
- Mixed-use developments with qualifying non-residential components; and
- Structured parking that directly supports eligible commercial or community uses.

The URA does not allocate NMTC and does not guarantee the availability of NMTC financing. Developers are responsible for securing commitments from certified Community Development Entities (CDEs) and for ensuring full compliance with all federal NMTC program requirements.

Respondents are encouraged to describe, at a conceptual level, whether and how NMTC financing could be utilized to enhance project feasibility, expand community benefits, or support catalytic uses consistent with the Old Towne-2 Urban Renewal Plan and Downtown Master Plan.

The maps provided do not reflect any potential future changes stemming from the One Big, Beautiful, Bill Act (2025).

CDFI Fund – New Markets Tax Credit Program (Official Program Page):
https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit

CDFI Fund Mapping Tool (NMTC Eligibility):
https://www.cdfifund.gov/mapping-system
(Use "NMTC Eligible Tracts" layer; Census Tract 16083001100)

Overview: New Market Tax Credits

Sen Mike Crapo: Investing in Idaho through the New Markets Tax Credit - MAGIC VALLEY NEWS

IRS – New Markets Tax Credit Overview: atgnmtc.pdf, About Form 8874, New Markets Credit | Internal Revenue Service