Nevada New Markets Tax Credit Program

Nevada Department of Business and Industry, Director's Office

Nevada New Markets Job Act

* Signed into law by Governor Brian Sandoval on June 12, 2013 and created the New Markets Tax Credit Program
* Applications received starting October 1, 2013
* Program is administered by the Nevada Department of Business and Industry
* $200,000,000 of Tax Credit Available with $50,000,000 maximum allocated to any one applicant CDE.

Nevada New Markets Tax Credit Program Highlights

* Purpose: to encourage capital investment in low-income communities

* The Nevada New Markets Tax Credit (NMTC) Program is an alternative financing complement to conventional capital sources and is patterned after the Federal New Markets Tax Program.

* NMTCs are a tool that can be used to assist financing of projects that typically have a total project cost of $3-$5 million.

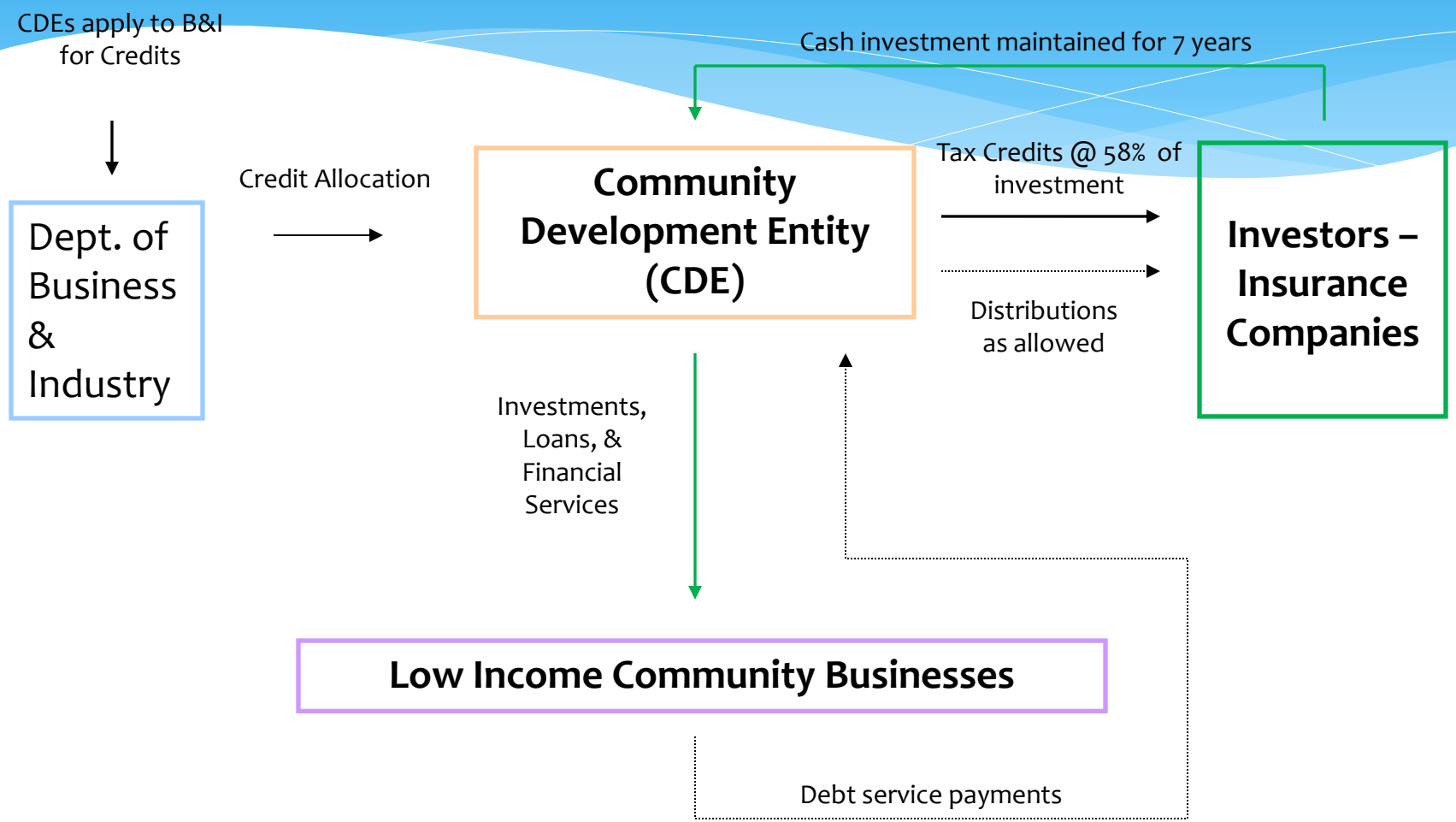
Nevada New Markets Tax Credit Program Highlights

* NMTC financing typically provides a 7 year, below market interest loans.
* Nevada NMTC strives to fund small business operational and capital loans in federally designated low income and severely distressed areas. The Federal NMTC program strives to develop small business real estate projects.
* Tax credits: An insurance company that makes a qualified investment earns a vested tax credit equal to 58 percent of the purchase price of the qualified investment over 7 years.

Nevada Tax Credit Allowances

Credit Allowance Date	**Applicable Percentage**
Date of Initial Qualified Equity Investment	0%
1st Anniversary Date of Equity Investment	0%
2nd Anniversary Date of Equity Investment	12%
3rd Anniversary Date of Equity Investment	12%
4th Anniversary Date of Equity Investment	12%
5th Anniversary Date of Equity Investment	11%
6th Anniversary Date of Equity Investment	11%
Total Credits (Percentage)	**58%**

Nevada Application Steps

- **One:** Federally certified CDEs apply to B&I for credits.
- **Two:** B&I approves or denies application.
- **Three:** The CDE(s) exchange approved tax credits for cash within 30 days of approval order from B&I.
- **Four:** The CDE(s) informs B&I of receipt of cash within 30 days after the receipt.
- **Five:** The CDE(s) must invest at least 85% of purchase price in low-income businesses within 12 months . 30% of this investment must be in severely distressed census tracts.

Nevada NMTC Overview