



Nevada New Markets Tax Credit Program

Nevada Department of Business and Industry
Director's Office

Nevada New Markets Job Act

- * SB 357 was signed into law by Governor Brian Sandoval on June 12, 2013 and created the New Markets Tax Credit Program.
- * 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.

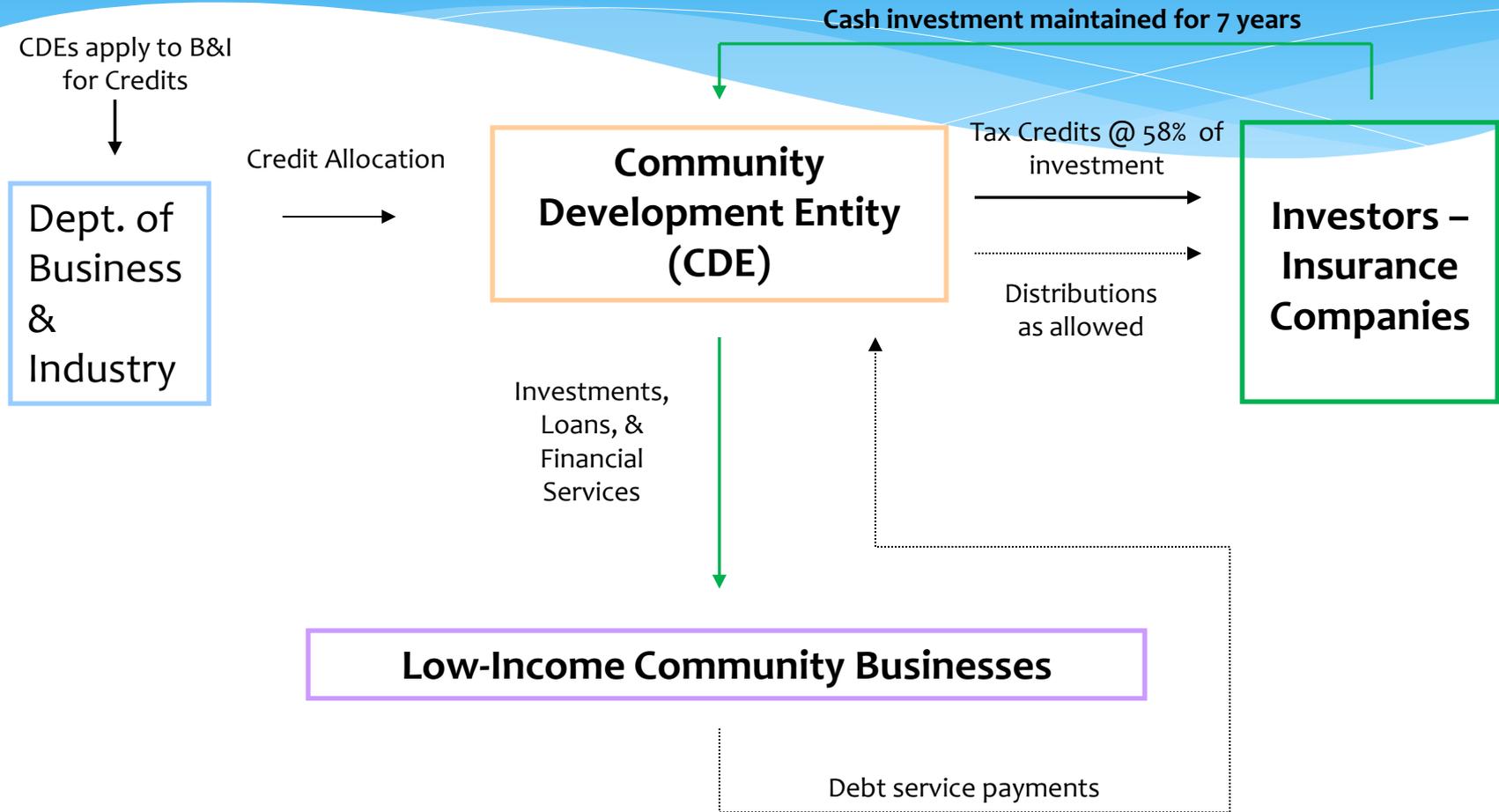
Nevada New Markets Tax Credit Program Highlights

- * NMTC financing typically provides 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 NMTC Overview



Nevada Application Steps

- ❖ **One:** Federally certified CDEs apply to the Department of Business and Industry (B&I) for credits starting October 1, 2013.
- ❖ **Two:** B&I approves or denies application based on the criteria listed in SB 357.
- ❖ **Three:** The CDEs exchange approved tax credits for cash within 30 days of approval order from B&I.

Nevada Application Steps

- ❖ **Four:** The CDEs informs B&I of receipt of cash within 10 days after the receipt.
- ❖ **Five:** The CDEs must invest at least 85% of purchase price in low-income businesses within 12 months after issuance of the qualified equity investment. 30% of this investment must be in severely distressed census tracts (this requirement can be reduced to 20% by the Director of B&I).

Nevada Qualified Community Development Entities

* Advantage Capital Community Development Fund, LLC	32,000,000
* Enhanced Community Development, LLC	32,000,000
* KHC New Markets Fund C CDE, LLC	32,000,000
* Stonehenge Community Development, LLC	32,000,000
* The Clearinghouse CDFI	8,000,000
* Urban Development Fund, LLC	32,000,000
* USBCDE, LLC	32,000,000
* Total	200,000,000