

Program Funding Source

A total of \$16 million in tax credits is available each fiscal year (July 1 through June 30). The maximum amount of Oregon tax credits invested in any one project cannot exceed \$8 million. The amount of tax credit claimed cannot exceed the amount of the taxpayer's state tax liability for the tax year for which the tax credit is claimed.

15% of the total \$16 million, 2.4 million, is reserved for investments in clean energy projects that:

- produce goods that directly reduce emissions of greenhouse gases or are designed as environmentally sensitive replacements for products in current use; or
- have a primary purpose of improving the environment or reducing emissions of greenhouse gases.



AGENCY MISSION

Business Oregon works to create, retain, expand and attract businesses that provide sustainable, living-wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs.

Oregon New Markets Tax Credit

The Oregon New Markets Tax Credit (Oregon Low Income Community Jobs Initiative) program:

- Helps finance investments and create jobs in low-income communities
- Delivers below-market-rate investment options to Oregon businesses
- Attracts additional Federal New Markets Tax Credit investments in Oregon
- Sparks revitalization in Oregon's low-income communities

Eligible Applicants

Community Development Entities (CDEs) serving Oregon that have been allocated Federal New Markets Tax Credits may apply. The Oregon new markets tax credits are then provided to investors who make qualified equity investments in community development entities that in turn invests in projects located in low-income communities.

Tax Credit Structure

The tax credits are realized over the course of seven years. The total tax credit is calculated as 39% of the total qualified investment. The qualified investment amount is not to exceed \$8 million or \$3.12 million in tax credits per project.

- 0% for years 1 and 2
- 7% for year 3
- 8% for years 4, 5, 6 and 7

Program Requirements

Investments can only be made in qualified existing low-income community businesses located in Oregon as defined by section 45D of the Internal Revenue Code, located at www.oregon4biz.com/NMTC/. These are census tracts that have a poverty rate of 20% or more, or the median family income is below 80%, the greater of: (a) statewide median family income or (b) metropolitan median family income.

How to Apply

Multiple projects can be included in one application. The application, project forms and fee information are available on the Web site at www.oregon4biz.com/NMTC/.

For fiscal year 2012, applications will be accepted on a first come, first serve basis after July 1, 2012, until \$200 million of allocation is awarded.

A \$20,000 nonrefundable application fee from the Community Development Entity is due when the application is submitted and an annual evaluation fee of \$1,000 is due each of seven years after the initial credit allocation.

BUSINESS OREGON

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Business Oregon is an agency of the state of Oregon.