



DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund

Agency Information Collection Activities; Proposed Collection; Comment Request; New Markets Tax Credit Program (NMTC Program) Allocation Application

ACTION: Notice and request for public comment.

SUMMARY: The U.S. Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995 (PRA). Currently, the Community Development Financial Institutions Fund (CDFI Fund), U.S. Department of the Treasury, is soliciting comments concerning the New Markets Tax Credit Program (NMTC Program) Allocation Application, for the calendar year (CY) 2024- 2026 funding rounds (hereafter, the Application or Applications). The CDFI Fund is required by law to make the Application publicly available for comment prior to submission for a new PRA number.

DATES: Written comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** to be assured of consideration.

ADDRESSES: Direct all comments to Christopher Allison, NMTC Program Manager, CDFI Fund, at nmtc@cdfi.treas.gov.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Christopher Allison, NMTC Program Manager, CDFI Fund, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, or by email to nmtc@cdfi.treas.gov or contact by telephone at 202-653-0421.

SUPPLEMENTARY INFORMATION:

Title: NMTC Program Allocation Application

OMB Number: 1559-0016

Abstract: Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000 (the Act) amended the Internal Revenue Code (IRC) by adding IRC §45D and created the NMTC Program. The Department of the Treasury, through the CDFI Fund, Internal Revenue Service, and Office of Tax Policy, administers the NMTC Program. In order to claim the NMTC, taxpayers make Qualified Equity Investments (QEIs) in Community Development Entities (CDEs) and substantially all of the QEI proceeds must, in turn, be used by the CDE to provide investments in businesses and real estate developments in low-income communities and other purposes authorized under the statute.

The tax credit provided to the investor totals 39 percent of the amount of the investment and is claimed over a seven-year period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period without forfeiting any credit amounts they have received.

The CDFI Fund is responsible for certifying organizations as CDEs and administering the competitive allocation of tax credit authority to CDEs, which it does through annual allocation rounds. As part of the award selection process, CDEs will be required to prepare and submit an Allocation Application, which consists of five sections: Business Strategy; Community Outcomes; Organization Capacity; Capitalization Strategy; and Previous Allocations and Awards.

Current Actions: Extension with significant changes from currently approved collection.

Type of Review: Regular

Affected Public: CDEs applying for NMTC Allocations.

Estimated Number of Respondents: 201

Estimated Annual Time per Respondent: 307

Estimated Total Annual Burden Hours: 61,876 hours

Requests for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments will become a matter of public record and may be published at www.reginfo.gov. The CDFI Fund is seeking input on the NMTC Application. The Application may be obtained on the NMTC Program webpage of the CDFI Fund's website at <https://www.cdfifund.gov/requests-for-comments>. Revisions to the NMTC Allocation Application will be highlighted in yellow.

Comments concerning the Application are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of technology; (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services required to provide information; and (f) whether any additional questions or factors should be considered as part of the NMTC Application and/or review process with regards to the Business Strategy section.

(Authority: 26 U.S.C. 45D; 26 CFR 1.45D-1)

Marcia Sigal,

Acting Director,

Community Development Financial Institutions Fund.

[FR Doc. 2024-03707 Filed: 2/22/2024 8:45 am; Publication Date: 2/23/2024]