

2010 New Market Tax Credit projects show vitality of program

The New Markets Tax Credit (NMTC) Program of the U.S. Department of Treasury gives corporate taxpayers the opportunity to receive a 39 percent federal tax credit by investing in qualified projects in low-income communities.

To stimulate economic investment in low-income communities, Dakotas America LLC, was awarded NMTC allocations by the U.S. Treasury's CDFI Fund. Dakotas America assigns New Markets Tax Credit allocations for qualified investments in qualifying projects located in primarily rural, highly distressed low-income communities. Dakotas America, which was formed by South Dakota Rural Enterprise and the North Dakota Rural Development Finance Corporation, supports and enhances economic development in both Dakotas. At year end, Dakotas America has placed allocations in projects totaling \$22.5 million in North Dakota and \$29.5 million in South Dakota.

Three rural communities in the Dakotas experienced the impact of the NMTC program during 2010, thanks to a partnership between Dakotas America LLC and the South Dakota Wheat Growers. The agricultural group's investment in those communities will have a total economic impact of \$170 million because of the availability of the Dakotas America New Markets Tax Credit allocation. Nearly 550 jobs were created, supported or expanded as a result of the Wheat Growers NMTC-enhanced developments.

Written into the project agreements was a benevolent component providing for no less than one-half of one percent of the allocation amount, or \$80,000, to be donated to benevolent, charitable or mission based organizations that serve the needs of the low-income communities in which the investments were made.

Under the NMTC program, projects must meet community impact criteria and be located on a distressed census tract. To learn more about Dakotas America LLC or the New Markets Tax Credit program, phone 605-978-2804, e-mail investment@dakotasamerica.com or log on to www.dakotasamerica.com.

