

New Market Tax Credits

Congress established the New Markets Tax Credit (NMTC) program in 2000 to attract investment capital in Low-Income Communities as determined by census tract demographic data. NMTCs can provide up to 20 percent of total funding for capital projects of over \$10 million in the form of a grant-like subsidy



Credit: Noah Thomas

Ecotrust CDE

Ecotrust CDE is a wholly-owned nonprofit subsidiary of Ecotrust. Through our CDE, we leverage New Markets Tax Credits to advance economic, environmental, and social well-being throughout rural and tribal communities. Since its inception, Ecotrust CDE has invested \$427 million—leveraging nearly \$1 billion in private investment—across 45 businesses and projects, with a majority located in tribal or rural areas. Fifty percent (or \$20 million) of our most recent award will be committed to projects on tribal reservations, off-reservation trust lands, Hawaiian Home Lands, and Alaska Native Villages.

Ecotrust CDE

Investment goals



CLIMATE RESILIENCY

We fund manufacturing and health care, education, emergency response, or other community support facilities that improve quality of life and address inequities in areas that currently bear the brunt of climate-induced health risks stemming from extreme heat, poor air quality, flooding, extreme weather events, and vector borne diseases.



STEWARDSHIP OF LANDS & WATERS

We make infrastructure investments in water, wastewater, broadband internet, electricity, and other sectors incorporating climate-smart technologies that can shift the paradigm towards ecological and cultural restoration, and racial and economic justice.



INTERGENERATIONAL WEALTH-BUILDING

We support sustainable economic development by creating quality, accessible jobs that build tangible wealth for historically marginalized populations. We also prioritize projects that create asset and/or business ownership, provide capacity-building opportunities, or advance community-ownership models.



Credit: Molokai Land Trust

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By the numbers

\$427M

in NMTC allocation
awarded to Ecotrust CDE
since 2004

70%

rural investment in the
past five years

1,900

permanent and temporary
jobs created in the past
five years

45

projects funded in nine
states since 2004

75%

Investments in the past five
years are BIPOC-owned /
controlled

>2.1m

tons of carbon captured
in the past five years

About NMTCs

The NMTC is a 39% investment tax credit claimed over seven years that can be monetized up front through a Community Development Entity (CDE) intermediary and used to fund projects.

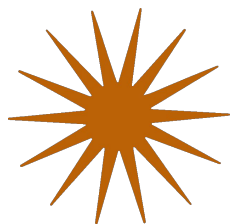
An NMTC investor funds approximately 15% to 20% of the total project cost in the form of a low-interest loan that is typically forgiven at the end of the seven-year compliance period, creating the net benefit that remains with the project.

Key Attributes of a Potential NMTC Project:

- ☀ Total project budget of > \$10 million
- ☀ Located in a Qualified Low-Income Community census tract
- ☀ Alignment with CDE investment strategy
- ☀ Readiness to close on financing
 - Site control
 - Executed vendor contracts
 - Balance of funding is committed
- ☀ Eligible use of proceeds:
 - Construction or renovation
 - Equipment procurement
 - Working capital

Our philosophy

Ecotrust CDE investments recognize that social, biological, and economic health are both interrelated and interdependent. These projects are self-sustaining economically, self-regulating environmentally, and self-actualizing for the community.



Please contact us to see if NMTCs can bridge equity to a project in your community!

Ecotrust

At Ecotrust, we work in partnership toward the vision of a more just, prosperous, and climate-smart future. With more than 30 projects from California to Alaska, our approach focuses on impact at the intersections of equity, the economy, and the environment in pursuit of radical, practical change. We welcome you to join us. ecotrust.org

Our team



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