

FACT SHEET: Rural Jobs Act (H.R. 3538 and S. 2028)

The New Markets Tax Credit (NMTC) has helped hundreds of small farming towns and rural communities access the capital they need for business expansions, healthcare centers, broadband expansions, and other locally prioritized-revitalization projects. The Rural Jobs Act (H.R. 3538/S. 2028), introduced by Reps. Jason Smith (R-MO) and Terri Sewell (D-AL) and Sens. Roger Wicker (R-MS) and Mark Warner (D-VA) would build on the success of the NMTC, providing additional resources to some of America's hardest hit rural areas.

Summary:

- Authorizes an additional \$1 billion in NMTC allocation spread over two years targeted to Rural Jobs Zones.
- Prioritizes twenty-five percent of the new allocation to persistent poverty counties and high migration rural counties.

Definitions:

Rural Jobs Zones: Census tracts that (a) qualify for the NMTC¹ and (b) are rural in character, defined as any area other than (i) a city or town that has a population of greater than 50,000 inhabitants; and (ii) any urbanized area contiguous and adjacent to a city or town with 50,000 or more inhabitants².

Persistent Poverty Counties: Any county with a poverty rate of 20 percent or more in the 1990 and 2000 census along with the most recent Small Area Income and Poverty Estimates from the American Community Survey.

High Migration Rural Counties: Any county which, during the 20-year period ending with the year in which the most recent census was conducted, has a net out-migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of such period.

About the New Markets Tax Credit:

The NMTC was authorized in the Community Renewal Tax Relief Act of 2000 (PL 106-554) as part of a bipartisan effort to stimulate investment and economic growth in low-income urban neighborhoods and rural communities that lack access to the patient capital needed to support and grow businesses and create jobs.

The NMTC attracts capital by providing private investors with a modest federal tax credit for investments made in businesses or economic development projects located in some of the most distressed communities in the nation.

Learn more at nmtccoalition.org/rural-jobs-zones



¹ Any census tract with a poverty rate of at least 20 percent or a median income at or below 80 percent of the area median income.

² See: Section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)).