

111TH CONGRESS
1ST SESSION

H. R. 3811

To amend the Internal Revenue Code of 1986 to authorize the Secretary, for a period of 2 years, to allocate a new markets tax credit limitation to entities that serve or provide investment capital for distressed communities.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 14, 2009

Ms. KOSMAS introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to authorize the Secretary, for a period of 2 years, to allocate a new markets tax credit limitation to entities that serve or provide investment capital for distressed communities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “New Markets Tax
5 Credit Expansion Act of 2009”.

1 **SEC. 2. SPECIAL ALLOCATIONS RULES WITH RESPECT TO**
2 **DISTRESSED COMMUNITIES.**

3 (a) IN GENERAL.—Section 45D(e) of the Internal
4 Revenue Code of 1986 is amended by adding at the end
5 the following new paragraph:

6 “(6) DISTRESSED COMMUNITIES.—

7 “(A) IN GENERAL.—In case of allocations
8 made under subsection (f)(2) for calendar years
9 2010 and 2011, a low-income community shall
10 include a distressed community.

11 “(B) DISTRESSED COMMUNITY.—For pur-
12 poses of subparagraph (A)—

13 “(i) IN GENERAL.—The term ‘dis-
14 tressed community’ means a county that
15 the Secretary designates as—

16 “(I) having, for any month dur-
17 ing the applicable period—

18 “(aa) a residential mortgage
19 foreclosure rate of 110 percent or
20 more of the national average,

21 “(bb) a commercial mort-
22 gage foreclosure rate of 110 per-
23 cent or more of the national aver-
24 age,

1 “(cc) a decline in the aver-
2 age fair market value of housing
3 of at least 20 percent, or

4 “(dd) an unemployment rate
5 of 110 percent or more of the na-
6 tional average,

7 “(II) being a county in which, for
8 a calendar year during the applicable
9 period, more than 50 percent of loans
10 secured by housing had a loan-to-
11 value ratio of greater than 80 percent,
12 or

13 “(III) being in a disaster area
14 (as defined in section 165(h)(3)(C))
15 as a result of a federally declared dis-
16 aster that occurred during the appli-
17 cable period.

18 “(ii) APPLICABLE PERIOD.—The term
19 ‘applicable period’ means—

20 “(I) in the case of subclauses (I)
21 and (II) of clause (i), the period be-
22 ginning on January 1, 2008, and end-
23 ing on the date which is 2 years after
24 the date of the enactment of the New

1 Markets Tax Credit Expansion Act of
2 2009, and

3 “(II) in the case of subclause
4 (III) of clause (i), the 4-year period
5 ending on the date which is 2 years
6 after the date of the enactment of the
7 New Markets Tax Credit Expansion
8 Act of 2009.”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 the date of enactment of this Act.

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