

## CERTIFIED NONPROFIT DEVELOPMENT CORPORATION INVESTMENT CREDIT - MULTISTATE SURVEY

This memorandum was requested to provide information on the availability of incentives in other states that are similar to the certified nonprofit development corporation investment credit provided in North Dakota Century Code Sections 10-33-124 and 57-38-01.17. The following table provides an overview of each incentive, including the name of the incentive, the agency administering the incentive, a brief description of the incentive, and the statutory citation.

State	Incentive Title	Administering Agency	Description	Statutory Citation
Alabama	New Markets Tax Credit	Alabama Department of Revenue	Investors in community development entities that provide funding to businesses located in low-income or impoverished communities may qualify for a credit against state income tax, financial institution excise tax, and insurance premium tax liability. A qualified investment in a community development entity can be in the form of an equity investment or a long-term debt security instrument. The amount of the credit is equal to 50 percent of the taxpayer's equity investment, up to a maximum amount of \$10 million per qualified active low-income community business. Any credit amount exceeding a taxpayer's liability can be carried forward to future taxable years until the full amount of the credit is extinguished. A maximum of \$20 million in credits may be awarded to all taxpayers in any taxable year.	Alabama Code Sections 41-9-217 through 41-9-219.4
Arkansas	Capital Development Company Income Tax Credit	Arkansas Department of Finance and Administration	The original purchaser of an equity interest in a capital development company may claim a credit against income tax liability in an amount equal to 33.3 percent of the actual purchase price of the equity interest. A taxpayer may apply the credit to offset a maximum of 50 percent of the taxpayer's net income tax liability in any one year. Any amount exceeding 50 percent of the taxpayer's liability may be carried forward for up to eight taxable years.	Arkansas Code Annotated Section 15-4-1026
Florida	New Markets Development Program	Florida Department of Economic Opportunity	A taxpayer investing in a qualified community development entity that makes qualified low-income community investments in qualified active low-income community businesses in order to create and retain jobs may qualify for a credit against income tax or insurance premium tax liability in an amount equal to 39 percent of the purchase price of the qualified investment. A taxpayer may apply 7 percent of the purchase price against its tax liability in the third tax year following the year in which the investment was made and 8 percent of the purchase price in the fourth through seventh tax years following the year in which the investment was made. Any credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years.	Florida Statutes Annotated Sections 288.9912 through 288.9922
Kentucky	Kentucky Investment Fund Act	Kentucky Cabinet for Economic Development	A taxpayer making a qualified investment in an investment fund that serves to assist in the creation, development, or expansion of small businesses in Kentucky may qualify for a credit against individual or corporate income tax liability. A fund must receive a minimum of \$500,000 in committed cash contributions prior to any credits being granted to investors. A fund must also have at least four unaffiliated investors with no one investor having a capital interest in more than 40 percent of the investment fund's capitalization. The amount of the credit is equal to 40 percent of the cash contribution made by the	Kentucky Revised Statutes Annotated Sections 154.20-250 through 154.20-258

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			investor to an investment fund. A taxpayer may apply the credit to offset up to 50 percent of the taxpayer's income tax liability in the year after the credit is granted. Any credit amount exceeding 50 percent of the taxpayer's liability may be carried forward for up to 15 taxable years. The total amount of credits available to any single investment fund shall not exceed \$8 million for all investors in all taxable years. The total amount of credits available to all investors in all investment funds shall not exceed \$40 million in all taxable years.	
Mississippi	Mississippi Equity Investment (New Markets) Tax Credit	Mississippi Department of Revenue	A community development entity may qualify for a credit against income tax or insurance premium tax liability in an amount equal to 8 percent of the amount invested in designated low-income census tracts in Mississippi. The credit may be claimed in the first through third years following the year the investment was made and may be claimed in conjunction with the Federal New Markets Tax Credit. The maximum investment amount for any one project cannot exceed \$10 million for purposes of claiming the credit. A taxpayer may apply the credit to offset up to 100 percent of the taxpayer's tax liability per year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to seven taxable years. A maximum of \$15 million in credits may be awarded among all taxpayers per state fiscal year, exclusive of any unclaimed credit amounts that may have been carried forward from a prior fiscal year.	Mississippi Code Annotated Section 57-105-1
Nebraska	New Markets Job Growth Investment Tax Credit	Nebraska Department of Revenue	A taxpayer may qualify for a credit against income tax, insurance premium tax, or franchise tax liability for making qualified investments in community development entities. A community development entity must apply to the Nebraska Department of Revenue to receive cash investments that qualify for the new markets job growth investment tax credit and must use at least 85 percent of the proceeds from qualified investments to make low-income community investments in active low-income community businesses in Nebraska. An investor may claim a credit in an amount equal to 7 percent of the amount invested starting in the third year after the year the investment was made and in an amount equal to 8 percent of the amount invested in the fourth through sixth years after the year the investment was made.	Nebraska Revised Statutes Sections 77-1101 through 77-1119
Oregon	Low Income Community Jobs Initiative Tax Credit	Business Oregon	An investor who makes a qualified equity investment in a community development entity that in turn invests in projects located in low-income communities may qualify for a credit against income tax liability. The amount of the credit is equal to 39 percent of the purchase price of the qualified equity investment. The amount of the credit that may be claimed in the third year following the year the investment was made is equal to 7 percent of the credit amount and the amount that may be claimed in years four through seven is equal to 8 percent of the credit amount. The maximum credit amount that may be awarded per project is limited to \$3.12 million.	Oregon Revised Statutes Sections 315.526 through 316.536

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South Carolina	Community Development Corporation Investment Credit	South Carolina Department of Revenue	A business may qualify for a credit against income, bank, or insurance premium tax liability for investing in a community development corporation or community development financial institution that serves to improve low-income communities and neighborhoods through economic and related development. The amount of the credit is equal to 33 percent of the amount invested. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years. The maximum amount of credits that may be awarded to all taxpayers is limited to \$1 million per calendar year and \$5 million for all calendar years.	South Carolina Code Section 12-6-3530