

Minnesota New Markets Development Act (NMDA)

Meeting the Financing Need for Minnesota Small Businesses

How it Works

1

Federal Award

Certified investors win Federal New Markets Tax Credit (NMTC) award from the U.S. Treasury

2

State NMTC Program

Minnesota NMDA authorizes \$200 million of state NMTC investment

Divided \$100M for Greater MN & \$100M for Metro Area

3

State Participants

Minnesota Department of Employment & Economic Development (DEED) awards all \$200M to certified investors that have won a federal NMTC award

MN-based investors must have previously won a federal NMTC award to participate to get oversight of federal program. Out-of-state investors must bring at least \$.50 of federal NMTC investment for every \$1 of state tax credit authorized.

4

Rapid Deployment

DOR-approved investors invest all \$200M in Minnesota small businesses within 12 months

5

Delayed Credit

No state fiscal note in years 1 and 2 of the program; \$20M in tax credits issued annually years 3-7

6

Long-Term Impact

DOR-approved investors must keep all \$200M invested in Minnesota businesses for all 7 years of the program