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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to permanently extend the new markets tax credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. TENNEY introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the new markets tax credit, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "New Markets Tax Credit Extension Act of 2023".

SEC. 2. PERMANENT EXTENSION OF NEW MARKETS TAX CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Subparagraph (H) of section 45D(f)(1) of the Internal Revenue Code of 1986 is amended by striking ''for each of calendar years 2020 through 2025'' and inserting ''calendar year 2020 and each calendar year thereafter''.

(2) CONFORMING AMENDMENT.—Section 45D(f)(3) of such Code is amended by striking the last sentence.

(b) INFLATION ADJUSTMENT.—Subsection (f) of section 45D of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any calendar year beginning after 2023, the dollar amount in paragraph (1)(H) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2000' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(B) ROUNDING RULE.—Any increase under subparagraph (A) which is not a multiple

of $1,000,000 shall be rounded to the nearest multiple of $1,000,000.''.

(c) ALTERNATIVE MINIMUM TAX RELIEF.—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating clauses (vii) through (xii) as clauses (viii) through (xiii), respectively, and

(2) by inserting after clause (vi) the following new clause:

''(vii) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made after December 31, 2022,''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2022.

(2) ALTERNATIVE MINIMUM TAX RELIEF.—The amendments made by subsection (c) shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after December 31, 2022.