

119TH CONGRESS
1ST SESSION

H. R. 1103

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

FEBRUARY 6, 2025

Ms. TENNEY (for herself, Mr. KELLY of Pennsylvania, Ms. SEWELL, Mr. DAVIS of Illinois, Ms. MOORE of Wisconsin, Ms. VAN DUYNE, Ms. SÁNCHEZ, Mrs. MILLER of West Virginia, Ms. DELBENE, Mr. BUCHANAN, Mr. LAHOOD, Mr. GOMEZ, Mr. BEYER, Mr. PANETTA, Mr. YAKYM, Mr. MILLER of Ohio, Ms. CHU, Mr. FEENSTRA, Mr. CAREY, Mr. SMUCKER, Mr. FITZPATRICK, Mr. STEUBE, Mr. MORAN, and Mrs. FISCHBACH) 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 permanently extend the new markets tax credit, and for other purposes.

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 Extension Act of 2025”.

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

3 (a) **EXTENSION.**—

4 (1) **IN GENERAL.**—Subparagraph (H) of section
5 45D(f)(1) of the Internal Revenue Code of 1986 is
6 amended by striking “for each of calendar years
7 2020 through 2025” and inserting “calendar year
8 2020 and each calendar year thereafter”.

9 (2) **CONFORMING AMENDMENT.**—Section
10 45D(f)(3) of such Code is amended by striking the
11 last sentence.

12 (b) **INFLATION ADJUSTMENT.**—Subsection (f) of sec-
13 tion 45D of the Internal Revenue Code of 1986 is amend-
14 ed by adding at the end the following new paragraph:

15 “(4) **INFLATION ADJUSTMENT.**—

16 “(A) **IN GENERAL.**—In the case of any cal-
17 endar year beginning after 2025, the dollar
18 amount in paragraph (1)(H) shall be increased
19 by an amount equal to—

20 “(i) such dollar amount, multiplied by

21 “(ii) the cost-of-living adjustment de-
22 termined under section 1(f)(3) for the cal-
23 endar year, determined by substituting
24 ‘calendar year 2000’ for ‘calendar year
25 2016’ in subparagraph (A)(ii) thereof.

1 “(B) ROUNDING RULE.—Any increase
2 under subparagraph (A) which is not a multiple
3 of \$1,000,000 shall be rounded to the nearest
4 multiple of \$1,000,000.”.

5 (c) ALTERNATIVE MINIMUM TAX RELIEF.—Subpara-
6 graph (B) of section 38(c)(4) of the Internal Revenue
7 Code of 1986 is amended—

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

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

12 “(vii) the credit determined under sec-
13 tion 45D, but only with respect to credits
14 determined with respect to qualified equity
15 investments (as defined in section 45D(b))
16 initially made after December 31, 2024,”.

17 (d) EFFECTIVE DATES.—

18 (1) IN GENERAL.—Except as provided in para-
19 graph (2), the amendments made by this section
20 shall apply to taxable years beginning after Decem-
21 ber 31, 2024.

22 (2) ALTERNATIVE MINIMUM TAX RELIEF.—The
23 amendments made by subsection (c) shall apply to
24 credits determined with respect to qualified equity
25 investments (as defined in section 45D(b) of the In-

- 1 ternal Revenue Code of 1986) initially made after
- 2 December 31, 2024.

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