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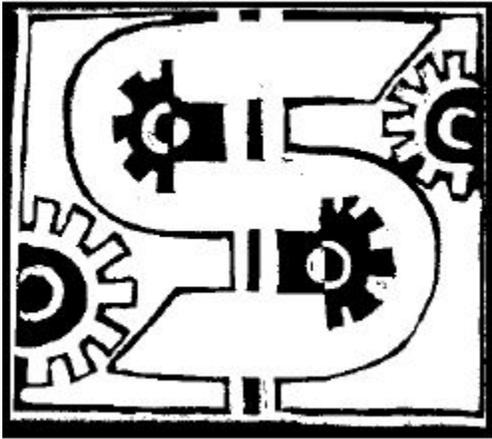
Opinion Guest writer

# Make it permanent

## Tax credit spurs jobs, development

*Sam Walls III*

*Special to the Democrat-Gazette*



Arkansas has historically struggled with poverty, unemployment, and loss of jobs, receiving a rank from WalletHub recently of being in the top 10 worst state economies in the country. Jobs are hard to come by, and capital investments across the state are scarce.

Thankfully, the state has benefited from a well-regarded 20-year-old federal program—the New Markets Tax Credit (NMTC).

Over the past decade, millions of dollars of NMTC allocations have been successfully implemented to provide jobs and opportunity to those living and working across the state through targeted community development that makes a difference.

At Arkansas Capital, our mission is to empower entrepreneurs and stimulate economic growth within our community—and beyond! We foster regional economic development, create and preserve employment opportunities while focusing on stimulating growth and expansion among underserved communities. Since its creation, Arkansas Capital and its partners have deployed more than \$2.34 billion to small businesses and economic development projects, including dozens of projects relying on the NMTC. More than 11,000 jobs have been created here in Arkansas.

One of the most efficient community economic development tools for low-income communities ever enacted, NMTCs have leveraged an unprecedented level of investment to both rural and urban low-income communities, generating over \$120 billion in total capital investment through public-private partnerships and creating more than one million jobs. The NMTC has an outstanding track record of revitalizing some of the poorest, most disinvested communities in our country—and it has the potential to achieve even greater impact.

Closer to home, Arkansas Capital has leveraged \$310 million of its federal NMTC allocations to help 38 projects in some of the state's hardest-hit regions and has also brought in another \$90.8 million in allocation from other entities.

One such example is Our House in Little Rock. For this project closed in 2022, \$10 million of NMTC funding was leveraged to finance the expansion of a homeless shelter to double its transitional housing capacity with apartment-style units dedicated to families, double the size of its childcare development and youth programs, create dedicated space for physical and mental health services and expand its workforce

training services. The expansion will allow Our House to serve 64 additional people with housing, 60 additional preschool-age children and an additional 80 middle school and high school students.

Another NMTC-leveraged project at the Arkansas Museum of Fine Arts focused on a \$128 million expansion and renovation of a 137,000-square-foot arts facility. As the state's premier visual and performing arts institution, the new LEED Silver facility will include larger exhibit spaces, new space for the museum's art school, an upgraded performance space for the professional children's theater, a restaurant, gift shop and community meeting space. The project will transform the historic MacArthur Park neighborhood and will expand its programs that benefit low- to moderate-income people statewide.

At the close of 2020, the NMTC was set to expire. Instead, it received a five-year, \$25 billion annual extension in the Consolidated Appropriations Act of 2021, the largest extension in the history of the tax credit. This extension will provide much-needed investment and advancement opportunities for underserved communities.

During the current Congress, both the Senate and House introduced bills (S456 and HR1321) with bipartisan support to make the extension permanent. Establishing permanence will provide certainty in delivering resources to low-income and marginalized communities, creating jobs, increasing economic opportunity and improving lives at a time when under-served communities face significant challenges.

The unique beauty of the New Markets Tax Credit program is that it is used effectively in rural and urban areas to support good jobs and strong wages and has historically held bipartisan support. In addition to creating high-quality manufacturing jobs, NMTCs create and expand access to health care, early child care and schools, job training, groceries, telecommunications, energy, arts, recreation and infrastructure in ways that traditional private-sector financing cannot effectively meet.

Arkansas' Sen. John Boozman and Reps. Rick Crawford and Steve Womack have co-sponsored the legislation to make the tax credit permanent. The Arkansas members of Congress should continue to ensure this resource is available—permanently—and integrate the NMTC into America's plan to help underserved and marginalized communities in Arkansas and across the country.

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*Sam Walls III is the CEO of Arkansas Capital Corp., a 65-year-old economic development company. Mr. Walls has been involved in the federal New Market Tax Credit program since 2007 and is a board member of the New Markets Tax Credit Coalition.*