

117TH CONGRESS  
1ST SESSION

# H. R. 1321

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

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2021

Ms. SEWELL (for herself, Mr. REED, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. PASCARELL, Mr. DANNY K. DAVIS of Illinois, Ms. SÁNCHEZ, Mr. HIGGINS of New York, Ms. DELBENE, Ms. MOORE of Wisconsin, Mr. KILDEE, Mr. BEYER, Mr. EVANS, Mr. PANETTA, Mr. BUCHANAN, Mr. KELLY of Pennsylvania, Mr. SMITH of Missouri, Mr. RICE of South Carolina, Mr. SCHWEIKERT, Mrs. WALORSKI, Mr. LAHOOD, Mr. WENSTRUP, Mr. FERGUSON, and Mr. SMUCKER) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 2021”.

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 2021, 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, 2020,”.

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, 2020.

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, 2020.

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