

112TH CONGRESS
2D SESSION

H. R. 5718

To amend the Internal Revenue Code of 1986 to revise the new market tax credit rules for population census tracts with low populations.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2012

Mr. TOWNS 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 revise the new market tax credit rules for population census tracts with low populations.

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. REVISION OF NEW MARKETS TAX CREDIT**
4 **RULES FOR TRACTS WITH LOW POPU-**
5 **LATIONS.**

6 (a) IN GENERAL.—Paragraph (4) of section 45D(e)
7 of the Internal Revenue Code of 1986 (relating to tracts
8 with low population) is amended to read as follows:

9 “(4) TRACTS WITH LOW POPULATION.—A pop-
10 ulation census tract with a population of less than

1 2,000 shall be treated as a low-income community
2 for purposes of this section if—

3 “(A) such tract is contiguous to 1 or more
4 low-income communities (determined without
5 regard to this paragraph), and

6 “(B) either—

7 “(i) such tract is within an empower-
8 ment zone the designation of which is in
9 effect under section 1391, or

10 “(ii) any 1 or more of such contiguous
11 low-income communities meets at least 1 of
12 the following criteria:

13 “(I) The poverty rate is greater
14 than 30 percent.

15 “(II) The median family in-
16 come—

17 “(aa) in the case of a com-
18 munity not located within a met-
19 ropolitan area, does not exceed
20 60 percent of statewide median
21 family income, or

22 “(bb) in the case of a com-
23 munity located within a metro-
24 politan area, does not exceed 60
25 percent of the greater of state-

1 wide median family income or the
2 metropolitan area median family
3 income.

4 “(III) The unemployment rate is
5 not less than 1.5 times the national
6 average unemployment rate.

7 For purposes of this paragraph, any population cen-
8 sus tract which is a zero population census tract
9 shall be treated as having the levels of economic dis-
10 tress which are present in the contiguous census
11 tract.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to taxable years beginning after
14 December 31, 2011.

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