II

116TH CONGRESS
2D SESSION

S. 3181

To amend the Internal Revenue Code of 1986 to expand the new markets tax credit to assist Native American communities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2020

Ms. MURKOWSKI (for herself, Mr. SCHATZ, Ms. HIRONO, and Mr. SULLIVAN) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to expand the new markets tax credit to assist Native American communities, 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 ''Inspiring Nationally Vibrant Economies Sustaining Tribes Act of 2020'' or the ''INVEST Act''.

SEC. 2. EXPANSION OF NEW MARKETS TAX CREDIT.

(a) LOW-INCOME COMMUNITY.—Paragraph (1) of section 45D(e) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) DEFINITION.—

"(A) IN GENERAL.—The term 'low-income community' means—

"(i) any population census tract if—

"(I) the poverty rate for such tract is at least 20 percent, or

"(II)(aa) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

"(bb) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income,

"(ii) any trust land (as defined at section 3765 of title 38, United States Code),

"(iii) any land within a township that encloses all or part of a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)), or

"(iv) any land that is part or all of a Tribal designated statistical area associated with an Indian tribe as defined by the Census Bureau for the purposes of the most recent decennial census.

"(B) MEDIAN FAMILY INCOME.—Subclause (II) of subparagraph (A)(i) shall be applied using possessionwide median family income in the case of census tracts located within a possession of the United States.".

(b) ALLOCATION OF NATIONAL LIMITATION.—

(1) IN GENERAL.—Section 45D(f)(2) of the Internal Revenue Code of 1986 is amended by striking "shall give priority to" and all that follows and inserting "shall—

"(A) give priority to any entity—

"(i) with a record of having successfully provided capital or technical assistance to disadvantaged businesses or communities or to Indian tribes or Native American communities, or "(ii) which intends to satisfy the requirement under subsection (b)(1)(B) by making qualified low-income community investments in 1 or more businesses in which persons unrelated to such entity (within the meaning of section 267(b) or 707(b)(1)) hold the majority equity interest, and

"(B) ensure that not less than 10 percent of such limitation is allocated to qualified Indian community development entities for investments that primarily serve low-income communities described in clauses (ii), (iii), and (iv) of subsection (e)(1)(A).".

(2) QUALIFIED INDIAN COMMUNITY DEVELOPMENT ENTITY.—Section 45D(f) of such Code is amended by adding at the end the following new paragraph:

"(4) QUALIFIED INDIAN COMMUNITY DEVELOPMENT ENTITY.—For purposes of paragraph (2)(B), the term 'qualified Indian community development entity' means any qualified community development entity which is—

"(A) at least 51 percent owned and controlled by an Indian tribe (as defined in section

4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304(e)), or

"(B) a Native community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2020.

SEC. 3. NATIVE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.

(a) DEFINITION OF A NATIVE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—Section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702) is amended—

(1) by redesignating paragraphs (18) through (21) as paragraphs (19) through (22), respectively; and

(2) by inserting after paragraph (17) the following:

"(18) NATIVE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—

"(A) IN GENERAL.—The term 'Native community development financial institution' means a community development financial institution—

"(i) the activities of which not less than 51 percent serve Native Americans; or

"(ii) that is not less than 51 percent owned or controlled Native Americans.

"(B) NATIVE AMERICANS.—In this paragraph, the term 'Native Americans' has the meaning given the term in section 3765 of title 38, United States Code.".

(b) ASSISTANCE FOR NATIVE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—Section 108(a) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4707(a)) is amended by adding at the end the following:

"(5) ASSISTANCE FOR NATIVE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—The Fund shall provide financial assistance, technical assistance, and training to build the capacity of Native community development financial institutions.".

SEC. 4. TECHNICAL ASSISTANCE PILOT PROGRAM.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Assistant Secretary for Indian Affairs, shall—

(1) establish a program to provide technical assistance to qualified Indian community development entities (as defined in section 45D of the Internal Revenue Code of 1986) with respect to the process for applications for allocations of the new markets tax credit under section 45D of the Internal Revenue Code of 1986; and

(2) work with the Director of the Community Development Financial Institutions Fund to provide assistance to qualified Indian community development entities to improve the competitiveness of applications for such allocations.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of the Interior to carry out this section $500,000 for each of fiscal years 2021 through 2025.

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