

SUPPORT HIGH-IMPACT COMMUNITY-LED ECONOMIC DEVELOPMENT

What is the Community Investment Tax Credit?

The Community Investment Tax Credit (CITC) is a 50% refundable state tax credit allocated to state-certified Community Development Corporations (CDCs) that are selected by DHCD through a competitive process to participate in the program to increase and diversify their philanthropic support. CITC was enacted into law on August 6, 2012 with an effective date of January 1, 2014.

CITC is Driving Results Through Local Community Engagement

A third-party report by Next Street, released in December 2016, highlights how CDCs are:

- ❖ Increasing investment in housing development, economic development, financial education, and organizational capacity;
- ❖ Deepening involvement in their neighborhoods and towns with new community organizing capacity and increased board engagement;
- ❖ Expanding and launching new programs in small business assistance, health, financial counseling, and the arts;
- ❖ Spurring new relationships with businesses, organizations and hundreds of individuals and families who may not have been aware of the CDC itself or its impact within their community.

In its first two years, 2014 and 2015, the Community Investment Tax Credit:

- ❖ Attracted over 2,500 donations;
- ❖ Welcomed 1,316 new donors to the field, including individuals, businesses, foundations and nonprofit institutions with donations ranging from \$1,000 to \$500,000;
- ❖ Raised \$12.85 million with over \$5 million from individuals – a new source of funding for many CDCs who have traditionally relied on foundations, corporations, government contracts and earned revenue;
- ❖ Enabled the United Way of Massachusetts Bay and Merrimack Valley, the state's Community Partnership Fund Administrator, to raise over \$2.4 million for the program.

Support Legislation to Extend CITC through 2025

The CITC program is currently authorized through calendar year 2019 with up to \$6 million in credits available each year, representing \$12 million in fundraising potential. CITC program partners and donors are seeking your support for legislation that will:

- ❖ Extend the program's sunset to 2025;
- ❖ Increase the annual amount of tax credits available overall (incrementally growing CITC from current cap of \$6 million to \$12 million in taxable years 2023 to 2025);
- ❖ Lift the individual CDC cap in alignment with growth of the overall cap.

For more information, contact David Bryant at davidb@macdc.org or 617-379-5927

