Subject:

Newly Amended Legislation Provides Public Entities With Access to Federal & State Dollars

Email not displaying correctly? View it in your browser.

BUTLERSNOW

Public Finance and Incentives ALERT

Newly Amended Legislation Provides Public Entities With Access to Federal & State Dollars

Public entities have new opportunities for financing public projects beginning July 1, 2012. Amendments to Section 57-105-1 of the Mississippi Code of 1972 will allow certain public entities to participate in New Markets Tax Credit financing under Section 45D of the Internal Revenue Code. To attract private investment the NMTC program permits investors to receive a credit against federal income taxes for making qualified equity investments in community development entities. Borrowers who participate in the NMTC program generate tax credits based on project investments within qualified census tracts. Such credits are then sold to institutional investors in order to generate subsidy for project costs. Borrowers under the NMTC program are required to be partnerships or corporations for tax purposes. Therefore prior to the new amendments taking effect, public entities have been prohibited from directly participating in the program as qualified active low-income businesses. Amendments to existing legislation now allow for public entities to create and establish Public Benefit Corporations for the purpose of entering into financing arrangements necessary to

OUR FIRM

Our Attorneys

Latest News

Contact Us

Butler, Snow, O'Mara, Stevens & Cannada, PLLC, is a full-service law firm with more than 220 attorneys representing local, regional, national and international clients from offices in Atlanta, Georgia; Montgomery and Birmingham, Alabama; Greater Jackson, Gulfport, Bay St. Louis and Oxford, Mississippi; Nashville and Memphis, Tennessee; Baton Rouge and New Orleans, Louisiana; Fort Washington and Bethlehem, Pensylvania. For more information, visit www.butlersnow.com.

Copyright © 2012 Butler, Snow, O'Mara, Stevens & Cannada, PLLC. All Rights Reserved.

PUBLIC FINANCE AND INCENTIVES ALERT is published by the Public Finance and Incentives Group of Butler Snow on selected issues. The content of this publication is intended for general informational purposes only. It is not legal advice, does not form or constitute an attorney-client relationship with any recipient, and should not be acted upon without first seeking legal counsel. For further information or specific questions relating to this publication, please contact your primary Butler Snow attorney. The generate NMTC subsidy for property and facilities. Public entities include utility districts, regional solid waste authorities, regional utility authorities, community hospitals, regional airport authorities, community and junior colleges, educational building corporations established by IHL, school districts, planning and development districts, county economic development districts, urban renewal agencies, and any other regional or local economic development authority, agency, or governmental entity. Public Benefit Corporations may assist these public entities by entering into financing arrangements conveying public property or facilities provided such converelate to NMTC transactions, furthering the purpose of the public entity's project. Such financing arrangements could include sale-lease backs, leases and lease backs between and public entity and the Public Benefit Corporation with respect to financing construction of public property or facilities. In addition, the new legislation provides public entities the authority to leverage funds necessary by entering into financing arrangements for the purposes of generating NMTC subsidy. This new source of financing will allow public entities the opportunity to fill financial gaps associated with public projects without creating additional local economic burden. Public entities considering alternative means of financing public projects need to now become familiar with the benefits of NMTC financing.

To view the full text of the amended legislation, please click here.

If you have questions regarding this Public Finance & Incentives Alert, please call your primary contact at Butler Snow.

invitation to contact firm attorneys should not be construed as a statement of availability to perform legal services in any jurisdiction in which such attorneys are not permitted to practice. No representation is made that the quality of the legal services to be performed is greater than the quality of legal services performed by other lawyers.

FREE BACKGROUND INFORMATION IS AVAILABLE UPON REQUEST.

Advertising Material

As an attorney or employee of Butler Snow, you are a member of the Prima Cura distribution list.

Unsubscribe megan.fitts@butlersnow.com from this list.

Our mailing address is: Butler, Snow, O'Mara, Stevens and Cannada, PLLC 1020 Highland Colony Pkwy Suite 1400 Ridgeland, MS 39157

Add us to your address book

Copyright (C) 2012 Butler, Snow, O'Mara, Stevens and Cannada, PLLC All rights reserved.

Forward this email to a friend

This ad authorized by Donald Clark, Jr. Chairman, 1020 Highland Colony Parkway, Suite 1400, Ridgeland MS 39157

