Mark R. Warner
US Senator from the Commonwealth of Virginia

Rural Jobs Act

About the New Markets Tax Credit Program

The NMTC was authorized in the Community Renewal Tax Relief Act of 2000 (PL 106-554) as part of a bipartisan effort to stimulate investment and economic growth in low income urban and rural communities. By providing a modest tax incentive to private investors, the NMTC increases the flow of capital to businesses and low-income communities.

Since it was established, nearly 1,000 NMTC projects have helped jump-start manufacturing activity at new or expanding industrial facilities, increased healthcare access through new hospitals and health clinics, improved education by building new schools, and revived Main Street. This is a result of $42 billion in investments that have generated $80 billion in total project financing and about 1,000,000 jobs. However, **less than one in four NMTC jobs have been in rural communities.** This bill aims to open up investment markets in these areas, creating Rural Job Zones.

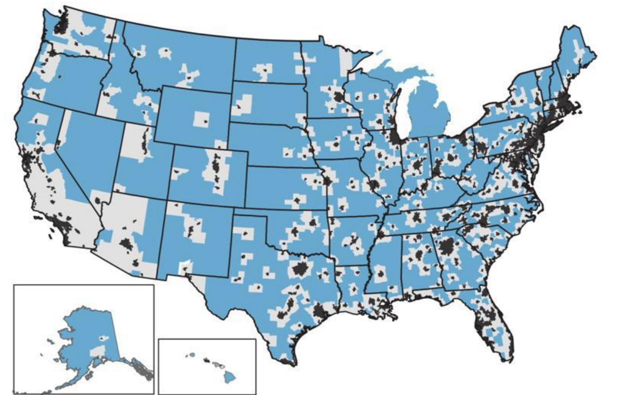
The Rural Jobs Act

The legislation seeks to build on the success of the New Market Tax Credit (NMTC) through the creation of Rural Job Zones to leverage investment for the economic revitalization in rural America. Additionally, the bill targets persistent poverty counties and high migration countries by allocating additional funds to some of the poorest rural communities in the country.

Rural Job Zones

Rural Job Zones are defined under Section 343(a) (13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a) (13) (A). This definition captures both non-metropolitan counties and areas in metropolitan counties that are rural in character. It aligns with the areas eligible for the Business and Industry (B&I) Guaranteed Loan Program under US Department of Agriculture (USDA).

Under this new definition, Rural Job Zones would be established in 342 out of the 435 districts across the country as outlined in the map below (identified in blue and grey).



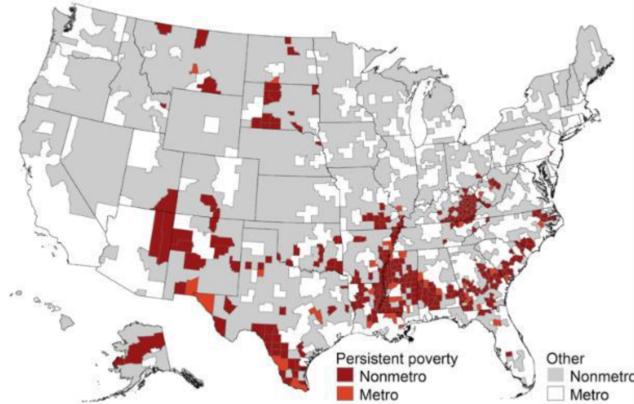
■ Non-Metro areas (Counties with no urbanized areas)
■ Metro areas (Counties with one or more urbanized areas)
■ Urbanized (50,000+ people and adjacent/contiguous census tracts)

Source: USDA, Economic Research Service using data from the U.S. Census Bureau, 2017.

Set-Aside for High Distress Rural Areas

The bill requires that at least 25 percent of investment activity be targeted to persistent poverty counties and high migration counties. The bill defines persistent poverty counties as those with at least 20 percent poverty rate for at least 30 years. There are approximately 400 persistent poverty counties in America – 85 percent are in non-metro or rural areas. A high migration county is defined under the current NMTC statute as a county that has a net out-migration of inhabitants of at least 10 percent during the 20-year period ending with the year in which the most recent census was conducted. In the map below, areas that qualify as "persistent poverty counties" are identified in red, spanning across 30 states.

Persistent poverty counties, 2015 edition



Persistent poverty counties are those where 20 percent or more of county residents were poor, measured by the 1980, 1990, 2000 censuses, and the 2007-11 American Community Survey.
Note that county boundaries are drawn for the persistent poverty counties only.
Source: USDA, Economic Research Service using data from U.S. Census Bureau.