

DykEMA | TAX CREDIT PRACTICE



California | Illinois | Michigan | Texas | Washington, D.C.

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Introduction

Federal and state law provides a number of tax credits to investors, lenders and developers for use in approved redevelopment, rehabilitation and renewal projects. Among such credits are New Markets Tax Credits (NMTC), Historic Tax Credits and state Brownfield Tax Credits. The NMTC program encourages investment in low-income communities by providing investors with a tax credit for loans or equity investments made to businesses, including commercial real estate in those communities. The Historic Tax Credit provides substantial federal tax credits (and, where available, state tax credits) for the rehabilitation of historic structures. Brownfield Tax Credits, available at the state level, provide tax credit incentives for the cleanup of environmental waste and reuse of obsolete property.

Dykema Experience

The ability to access and utilize these credits either singly or in combinations requires sophisticated legal advice in the areas of tax, real estate, corporate finance and government policy. Dykema has extensive experience in providing advice and counsel in these areas, combining the specialized skills of our tax, real estate and corporate finance attorneys.

Dykema has been involved with New Markets Tax Credits since the inception of the program. Dykema currently represents a number of Community Development Entities (CDEs), including the Port Huron, Michigan, CDE, in connection with its NMTC program. In addition, we represent credit investors, lenders and developers, using NMTC to rebuild low-income communities.





Dykema also has extensive experience in structuring transactions to qualify for historic credits, representing investors, developers and lenders in these transactions. We have experience in combining both federal and state historic tax credits with other tax credits and incentive programs, including historic conservation easements, and, where available, Brownfield Tax Credits.

We also represent developers and businesses in obtaining millions of dollars in Brownfield Tax Credit increment financing and Michigan Business Tax credits. Additionally, we have represented municipalities in the establishment and implementation of Brownfield programs and on transactions involving the sale of Brownfield Tax Credits.

Our experience with and understanding of the complex cross-disciplinary legal issues and their interdependence allow us to maximize our clients' returns, often combining NMTC with federal and state historic rehabilitation credits and Brownfield, Tax Credits, as well as HUD 108 and private sector loans and grants.

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