



UNITED STATES SENATE COMMITTEE ON FINANCE

WORKING FAMILIES TAX CUTS

INVESTING IN COMMUNITY DEVELOPMENT

On July 4, 2025, President Trump signed the **Working Families Tax Cuts** into law. This legislation not only prevented the largest tax hike in history, but it also restored and made permanent critical pro-growth tax provisions that are already increasing domestic investment and boosting economic growth. Moreover, through policies like **the Opportunity Zone program, the Low-Income Housing Tax Credit and the New Markets Tax Credit**, communities of low- and middle-income families have new opportunities to flourish.

Opportunity Zones (OZs)

- **Permanent renewal and enhancement** of the OZ program will give investors the certainty they need to provide **over \$100 billion of investment to rural and distressed communities**.
- **Attracting private rural investment:** Qualified rural opportunity funds and zones receive enhanced tax benefits.
 - Qualified rural opportunity funds which invest at least 90 percent in rural OZs will receive a 30 percent step-up in basis, **three times the amount available to non-rural opportunity funds**.
 - The “substantial improvement” threshold of existing structures is lowered from 100 percent to 50 percent in rural areas.

“In the years since 2017, [Opportunity Zones have] driven more private investment to more low-income communities with a larger-scale impact than any federal initiative of its kind over such a short period. The reconciliation bill not only makes Opportunity Zones permanent, but also stronger, simpler and more transparent.” - [Economic Innovation Group](#)

Low-Income Housing Tax Credit

- **Permanent expansion of the low-income housing tax credit encourages increased development and rehabilitation of affordable rental housing.**
- Expanding our nation’s more successful affordable housing tool will ensure over a million more families have greater access to affordable housing.

“The Housing Credit provisions in the reconciliation bill will finance well over a million more affordable homes in the U.S. – a profound impact at a time of staggering need. We applaud this effort to take an unprecedented step toward resolving a crisis that continues to affect millions of Americans.” - [Affordable Housing Tax Credit Coalition](#)

New Markets Tax Credit (NMTC)

- **Permanent extension of the New Markets Tax Credit gives investors the certainty they need to continue investing in low-income communities across the country.**

“Achieving permanence for the NMTC provides certainty to thousands of businesses and investors and delivers more jobs, business opportunities and capital to high-impact investments prioritized by local communities. Our partnerships with local businesses and community organizations across the country can now continue to help Americans most in need to prosper.” - [New Markets Tax Credit Coalition](#)