



NTCG

National Tax Credit Group, LLC



ABOUT NTCG

NTCG guarantees tax savings to California banks through the maximization of the seldom utilized California Enterprise Interest exemption program, which allows banks to exclude the net interest associated with loan activities to businesses located in one or more of the 42 designated communities.

These multi-year savings can produce significant cash flow and earnings-per-share benefits.

NTCG can also generate significant wage credits (up to \$10,000 per qualified employee per year) and equipment tax credits (up to 8.75 percent of cost) for financial institutions to the extent that their headquarters, branches or service centers are located in any one of 42 California Enterprise Zones.

NTCG is endorsed by the CBA



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Services and Benefits Provided

We offer a variety of services in order to meet our clients' needs:

◆ **Enterprise Zone Location Screening**

Our proprietary software screens all loans to determine Enterprise Zone Net Interest Deduction (NID) eligibility. The system then generates a comprehensive report identifying NID-eligible loans.

We can also screen branch office addresses to determine if they are in Enterprise Zones. Branches in an EZ are eligible for hiring credits (up to **\$32,000 per employee** over a 5-year period), and sales/use tax credits on ATMs, computers, and similar equipment.

◆ **Quantify NID Exempt Interest Income**

Once our screening software has identified which loans potentially qualify for the NID, we can subsequently quantify the amount of the interest deduction that the bank is eligible for. We perform a file review to obtain any documentation required to confirm that the loan meets the statutory requirements. We have extensive experience in evaluating the NID rules as they apply to:

- ◆ Trade or Business lines of credit
- ◆ Term loans
- ◆ Commercial mortgages
- ◆ Multi-tenant Mortgages
- ◆ Business credit cards
- ◆ SBA Loans

◆ **Customized Web-Based Lookup**

We will provide bank lending personnel and credit managers with web-based access to allow screening of customer or prospect loans and provide real time information to the lending personnel to assist in making their loan decisions. This program can increase efficiencies in the workplace that normally would be performed after-the-fact,

when preparing the tax returns, or under audit examination.

◆ **California Franchise Tax Board Audit Support**

Our final package will include all documentation required to provide to the Franchise Tax Board in the event of audit. We will also provide technical support in an audit and assist with any matters required to support our position.

In the event we did not perform the original NID analysis, we can usually quantify more loans than were originally identified from prior years, offering offsets to many of the costly audit determinations.

◆ **Customized Program Development**

NTCG can assist in developing customized programs to maximize:

- ◆ Future NID Exemption
- ◆ After-tax returns on loan portfolios
- ◆ Value-added services to customer base
- ◆ CRA eligibility
- ◆ SBA federal loan limit (increased by 1/3)

SAMPLE SAVINGS

Asset Value	Projected Annual Savings
\$100M	\$30,000
\$1B	\$300,000
\$10B	\$3,000,000
\$50B	\$14,000,000