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GENERAL MEMORANDUM 25-005

Economic and Community Development Provisions in H.R.1, the “One Big Beautiful Bill Act”

On July 3, Congress passed H.R.1, the “One Big Beautiful Bill Act” of 2025, as covered in GM 25-004. This legislation includes several provisions aimed at stimulating investment in rural and underserved areas. Through offering tax credits and incentives, the legislation has the potential to address longstanding disparities and foster economic growth in Tribal communities. Additionally, H.R. 1 includes important expansions to the Radiation Exposure Compensation Act, for victims, including many Tribal citizens, of some uranium mining activities and nuclear weapons testing.

Permanent Extension of New Market Tax Credits

Section 70423 of the legislation extends New Market Tax Credits (NMTC) permanently after December 2025 with an annual \$5 billion allocation. NMTCs are a powerful mechanism for attracting private investment in Indian Country and other communities by providing federal income tax credits to investors. These investments have a high rate of return, with \$8 of private investment generated for every dollar invested. The program also often facilitates increased employment opportunities, leading to more robust and resilient Tribal economies.

Permanent Enhancement of Low-Income Housing Tax Credit

The Low-Income Housing Tax Credit (LIHTC) serves as an important tool for financing affordable housing projects and has been successful in Indian Country, although improved Tribal access to LIHTC is still needed. Section 70422 includes a 12% increase in the allocation of 9% LIHTC credits and halves the private activity bond financing threshold for 4% credits to 25%; these changes significantly bolster the program’s objective to increase the production and availability of affordable housing units. The House version of the reconciliation legislation had previously included a rural or Native American basis boost that would have provided an increase in LIHTC for projects in rural or Native American areas. Still, ultimately, this provision was not included in the final bill.

Permanent Enhancement of Economic Opportunity Zones

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The Opportunity Zones program encourages investment in underserved communities through offering tax incentives to investors. With many reservations and near-reservation areas considered Opportunity Zones, eligible Tribally owned businesses can utilize the program to attract new investments, which can significantly contribute to the growth and diversification of Tribal economies. Reconciliation legislation includes significant changes; among them, the extension of current tax provisions for the program, establishment of stricter program eligibility criteria, and the creation of a new designation: the Qualified Rural Opportunity Fund to attract greater investment in rural areas, for which some Tribes may be eligible.

Expansion of the Radiation Exposure Compensation Act

The One Big Beautiful Bill reauthorized and expanded the Radiation Exposure Compensation Act (RECA), which provides compensation to victims of domestic radiation exposure from uranium mining or nuclear weapons testing. The reauthorization expands coverage to all of Utah, Idaho, and New Mexico, and in Arizona, Coconino, Yavapai, Navajo, Apache, Gila, and Mohave counties are now eligible areas. The provision also increases compensation amounts to \$100,000 and includes additional qualifying medical conditions, now known to be linked with radiation exposure, to determine RECA eligibility.

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