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Internal Revenue Code Section 1400Z-1(e)

Designation

(a) Qualified opportunity zone defined.

For the purposes of this subchapter, the term "qualified opportunity zone" means a population census tract that is a low-income community that is designated as a qualified opportunity zone.

(b) Designation.

(1) In general.

For purposes of subsection (a) , a population census tract that is a low-income community is designated as a qualified opportunity zone if-

(A) not later than the end of the determination period, the chief executive officer of the State in which the tract is located-

(i) nominates the tract for designation as a qualified opportunity zone, and

(ii) notifies the Secretary in writing of such nomination, and

(B) the Secretary certifies such nomination and designates such tract as a qualified opportunity zone before the end of the consideration period.

(2) Extension of periods.

A chief executive officer of a State may request that the Secretary extend either the determination or consideration period, or both (determined without regard to this subparagraph), for an additional 30 days.

(3) Special rule for Puerto Rico.

Each population census tract in Puerto Rico that is a low-income community shall be deemed to be certified and designated as a qualified opportunity zone, effective on the date of the enactment of Public Law 115-97 .

(c) Other definitions.

For purposes of this subsection-

(1) Low-income communities.

The term "low-income community" has the same meaning as when used in section 45D(e) .

(2) Definition of periods.

(A) Consideration period. The term "consideration period" means the 30-day period beginning on the date on which the Secretary receives notice under subsection (b)(1)(A)(ii) , as extended under subsection (b)(2) .

(B) Determination period. The term "determination period" means the 90-day period beginning on the date of the enactment of the Tax Cuts and Jobs Act, as extended under subsection (b)(2) .

(3) State.

For purposes of this section , the term "State" includes any possession of the United States.

(d) Number of designations.

(1) In general.

Except as provided by paragraph (2) and subsection (b)(3), the number of population census tracts in a State that may be designated as qualified opportunity zones under this section may not exceed 25 percent of the number of low-income communities in the State.

(2) Exception.

If the number of low-income communities in a State is less than 100, then a total of 25 of such tracts may be designated as qualified opportunity zones.



(e) Designation of tracts contiguous with low-income communities.

(1) In general.

A population census tract that is not a low-income community may be designated as a qualified opportunity zone under this section if-

(A) the tract is contiguous with the low-income community that is designated as a qualified opportunity zone, and

(B) the median family income of the tract does not exceed 125 percent of the median family income of the low-income community with which the tract is contiguous.

(2) Limitation.

Not more than 5 percent of the population census tracts designated in a State as a qualified opportunity zone may be designated under paragraph (1) .

(f) Period for which designation is in effect.

A designation as a qualified opportunity zone shall remain in effect for the period beginning on the date of the designation and ending at the close of the 10th calendar year beginning on or after such date of designation.