

SAVINGS PROVISION

Pub. L. 115-141, div. U, title IV, §401(d)(5)(C), Mar. 23, 2018, 132 Stat. 1210, provided that: “The amendments made by this paragraph [amending sections 469 and 1397B of this title and repealing sections 1400E to 1400J of this title], shall not apply to—

“(i) in the case of the repeal of section 1400F of the Internal Revenue Code of 1986, qualified community assets (as defined in such section, as in effect before its repeal) which were acquired by the taxpayer before January 1, 2010,

“(ii) in the case of the repeal section 1400H of such Code, wages paid or incurred before January 1, 2010,

“(iii) in the case of the repeal of section 1400I of such Code, qualified revitalization buildings (as defined in such section, as in effect before its repeal) which were placed in service before January 1, 2010, and

“(iv) in the case of the repeal of section 1400J of such Code, property acquired before January 1, 2010.” For provisions that nothing in repeal by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

[Subchapter Y—Repealed]**[§§ 1400L to 1400U-3. Repealed. Pub. L. 115-141, div. U, title IV, § 401(d)(6)(A), Mar. 23, 2018, 132 Stat. 1211]**

Section 1400L, added Pub. L. 107-147, title III, §301(a), Mar. 9, 2002, 116 Stat. 33; amended Pub. L. 108-27, title II, §201(c)(2), May 28, 2003, 117 Stat. 757; Pub. L. 108-311, title III, §309(a)-(c), title IV, §403(c), Oct. 4, 2004, 118 Stat. 1179, 1180, 1187; Pub. L. 109-135, title IV, §§405(a)(2), 412(ss), Dec. 21, 2005, 119 Stat. 2634, 2640; Pub. L. 110-185, title I, §103(c)(8), Feb. 13, 2008, 122 Stat. 619; Pub. L. 111-240, title II, §2022(b)(6), Sept. 27, 2010, 124 Stat. 2558; Pub. L. 111-312, title IV, §401(d)(6), title VII, §761(a), Dec. 17, 2010, 124 Stat. 3306, 3323; Pub. L. 112-240, title III, §§328(a), 331(e)(4), Jan. 2, 2013, 126 Stat. 2334, 2337; Pub. L. 113-295, div. A, title I, §125(d)(4), Dec. 19, 2014, 128 Stat. 4017, related to tax benefits for New York Liberty Zone.

Section 1400M, added Pub. L. 109-135, title I, §101(a), Dec. 21, 2005, 119 Stat. 2578, related to definitions for part relating to tax benefits for GO Zones.

Section 1400N, added Pub. L. 109-135, title I, §101(a), Dec. 21, 2005, 119 Stat. 2579; amended Pub. L. 109-432, div. A, title I, §§107(b)(2), 120(a), (b), Dec. 20, 2006, 120 Stat. 2939, 2943; Pub. L. 110-28, title VIII, §§8221-8223, May 25, 2007, 121 Stat. 194, 195; Pub. L. 110-185, title I, §103(c)(9), (10), Feb. 13, 2008, 122 Stat. 619; Pub. L. 110-234, title XV, §15316(c)(1), May 22, 2008, 122 Stat. 1511; Pub. L. 110-246, §4(a), title XV, §15316(c)(1), June 18, 2008, 122 Stat. 1664, 2273; Pub. L. 110-289, div. C, title III, §3082(b)(1), (c)(1), July 30, 2008, 122 Stat. 2907; Pub. L. 110-343, div. C, title III, §320(a), Oct. 3, 2008, 122 Stat. 3873; Pub. L. 111-5, div. B, title I, §§1201(a)(2)(E), 1531(c)(3), Feb. 17, 2009, 123 Stat. 333, 360; Pub. L. 111-240, title II, §2022(b)(7), Sept. 27, 2010, 124 Stat. 2558; Pub. L. 111-312, title IV, §401(d)(7), title VII, §§762(a), 763, 764(a), 765(a), Dec. 17, 2010, 124 Stat. 3306, 3323, 3324; Pub. L. 112-240, title III, §331(e)(5), Jan. 2, 2013, 126 Stat. 2337; Pub. L. 113-295, div. A, title I, §125(d)(5), title II, §220(q), Dec. 19, 2014, 128 Stat. 4017, 4036, related to tax benefits for Gulf Opportunity Zone.

Section 1400O, added Pub. L. 109-135, title I, §102(a), Dec. 21, 2005, 119 Stat. 2594; amended Pub. L. 110-172, §11(a)(26), Dec. 29, 2007, 121 Stat. 2487, related to education tax benefits.

Section 1400P, added Pub. L. 109-135, title I, §103(a), Dec. 21, 2005, 119 Stat. 2594, related to housing tax benefits.

Section 1400Q, added Pub. L. 109-135, title II, §201(a), Dec. 21, 2005, 119 Stat. 2596, related to special rules for use of retirement funds.

Section 1400R, added Pub. L. 109-135, title II, §201(a), Dec. 21, 2005, 119 Stat. 2601, related to employment relief.

Section 1400S, added Pub. L. 109-135, title II, §201(a), Dec. 21, 2005, 119 Stat. 2604; amended Pub. L. 110-172, §11(a)(14)(C), Dec. 29, 2007, 121 Stat. 2485, related to additional tax relief provisions.

Section 1400T, added Pub. L. 109-135, title II, §201(a), Dec. 21, 2005, 119 Stat. 2607, related to special rules for mortgage revenue bonds.

Section 1400U-1, added Pub. L. 111-5, div. B, title I, §1401(a), Feb. 17, 2009, 123 Stat. 348, related to allocation of recovery zone bonds.

Section 1400U-2, added Pub. L. 111-5, div. B, title I, §1401(a), Feb. 17, 2009, 123 Stat. 349, related to recovery zone economic development bonds.

Section 1400U-3, added Pub. L. 111-5, div. B, title I, §1401(a), Feb. 17, 2009, 123 Stat. 350, related to recovery zone facility bonds.

SAVINGS PROVISIONS

Pub. L. 115-141, div. U, title IV, §401(d)(6)(C), Mar. 23, 2018, 132 Stat. 1211, provided that: “The amendments made by this paragraph [amending sections 38, 280C, 6033, and 6049 of this title and repealing sections 1400L to 1400U-3 of this title] shall not apply to—

“(i) in the case of the repeal of section 1400L(a) of the Internal Revenue Code of 1986, qualified wages (as defined in such section, as in effect before its repeal) which were paid or incurred before January 1, 2004,

“(ii) in the case of the repeal of subsections (b) and (f) of section 1400L of such Code, qualified New York Liberty Zone property (as defined in section 1400L(b) of such Code, as in effect before its repeal) placed in service before January 1, 2010,

“(iii) in the case of the repeal of section 1400L(c) of such Code, qualified New York Liberty Zone leasehold improvement property (as defined in such section, as in effect before its repeal) placed in service before January 1, 2007,

“(iv) in the case of the repeal of section 1400L(d) of such Code, qualified New York Liberty bonds (as defined in such section, as in effect before its repeal) issued before January 1, 2014,

“(v) in the case of the repeal of section 1400L(e) of such Code, advanced refundings before January 1, 2006,

“(vi) in the case of the repeal of section 1400L(g) of such Code, property which is compulsorily or involuntarily converted as a result of the terrorist attacks on September 11, 2001,

“(vii) in the case of the repeal of section 1400N(a) of such Code, obligations issued before January 1, 2012,

“(viii) in the case of the repeal of section 1400N(b) of such Code, advanced refundings before January 1, 2011,

“(ix) in the case of the repeal of section 1400N(d) of such Code, property placed in service before January 1, 2012,

“(x) in the case of the repeal of section 1400N(e) of such Code, property placed in service before January 1, 2009,

“(xi) in the case of the repeal of subsections (f) and (g) of section 1400N of such Code, amounts paid or incurred before January 1, 2008,

“(xii) in the case of the repeal of section 1400N(h) of such Code, amounts paid or incurred before January 1, 2012,

“(xiii) in the case of the repeal of section 1400N(k)(1)(B) of such Code, losses arising in taxable years beginning before January 1, 2008,

“(xiv) in the case of the repeal of section 1400N(l) of such Code, bonds issued before January 1, 2007,

“(xv) in the case of the repeal of section 1400Q(a) of such Code, distributions before January 1, 2007,

“(xvi) in the case of the repeal of section 1400Q(b) of such Code, contributions before March 1, 2006,

“(xvii) in the case of the repeal of section 1400Q(c) of such Code, loans made before January 1, 2007,

“(xviii) in the case of the repeal of section 1400R of such Code, wages paid or incurred before January 1, 2006,

“(xix) in the case of the repeal of section 1400S(a) of such Code, contributions paid before January 1, 2006,

“(xx) in the case of the repeal of section 1400T of such Code, financing provided before January 1, 2011, and

“(xxi) in the case of the repeal of part III [§§ 1400U-1 to 1400U-3] of subchapter Y of chapter 1 of such Code, obligations issued before January 1, 2011.”

For provisions that nothing in repeal by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

Subchapter Z—Opportunity Zones

Sec.

1400Z-1. Designation.

1400Z-2. Special rules for capital gains invested in opportunity zones.

§ 1400Z-1. 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),¹ 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).

¹ So in original. Probably should be “paragraph.”

(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.

(Added Pub. L. 115-97, title I, §13823(a), Dec. 22, 2017, 131 Stat. 2183; amended Pub. L. 115-123, div. D, title II, §41115, Feb. 9, 2018, 132 Stat. 161.)

REFERENCES IN TEXT

The date of the enactment of Public Law 115-97, referred to in subsec. (b)(3), is Dec. 22, 2017.

The date of the enactment of the Tax Cuts and Jobs Act, referred to in subsec. (c)(2)(B), probably means the date of enactment of title I of Pub. L. 115-97, which was approved Dec. 22, 2017. Prior versions of the bill that