

“(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),<sup>1</sup> 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).

<sup>1</sup> 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