



Grassley on Opportunity Zones

May 01, 2019

Prepared Floor Remarks by U.S. Senator Chuck Grassley of Iowa

Chairman, U.S. Senate Finance Committee

On Opportunity Zones

Wednesday, May 1, 2019

[VIDEO](#)

Mr. President,

As the chairman of the Finance Committee, I have worked to secure tax policies to help spur entrepreneurship, competition and innovation. Opportunity Zones are an example of the type of tax policy that creates that kind of growth in our economy. Opportunity Zones were created under the *Tax Cuts and Jobs Act of 2017* to stimulate economic development and job creation across the nation, by incentivizing long-term investments in economically distressed neighborhoods.

Last year, more than 8,700 census tracts were identified as Opportunity Zones by the governors of each state. These zones are home to approximately 31 million Americans or roughly 10 percent of the country. Even in just this short period, we are already seeing wage increases within these economically distressed areas after being designated as Opportunity Zones. For example, during the second and third quarter of 2018, counties with a large presence of Opportunity Zones experienced an annualized wage growth of 8 percent. That's compared to other economically distressed counties that were not designated as zones, which did not see a significant spike in wages.

We are also seeing states across the country showing an interest in Opportunity Zones, with at least 17 state legislatures considering their own Opportunity Zone measures at the state level. Although states can't make direct investments into the federal Opportunity Zone projects, many are considering measures to encourage initiatives such as solar energy or affordable housing.

Even in my home state of Iowa, cities such as Iowa City and Coralville have made local investments in their economically distressed communities and are actively recruiting investors for development projects in their Opportunity Zone areas.

I also want to applaud the efforts the Treasury Department to provide clarity for community leaders and investors. These include two packages of proposed regulations dedicated to implementing the Opportunity Zones rules. As the Treasury Department works to finalize these regulations and provide other guidance, I will continue working with Secretary Mnuchin, states and cities, and the investment community to ensure that Opportunity Zones succeed in driving new business investment and activity to America's low-income communities.

I yield the floor.