



OPPORTUNITY ZONES

IEDA currently accepting nomination applications – DEADLINE March 19, 2018

The Tax Cut and Jobs Act of 2017 has established a new economic tax incentive called **Opportunity Zones**. This tax incentive is designed to encourage long-term, private investments in low-income census tracts by providing a federal tax incentive for taxpayers who reinvest unrealized capital gains into Opportunity Funds which are then invested into opportunity zones.

Opportunity Funds are specialized tax vehicles dedicated to low-income areas and aimed at spurring investment and entrepreneurialism. Ultimately that will result in business creation and economic prosperity in areas called Opportunity Zones. The zones **must** be comprised of **Low-Income Community Census Tracts** (LIC) and are designated by governors in every state and territory. Census tracts with a poverty rate of 20 percent or greater and/or family income less than 80 percent of the area's median income are eligible for consideration.

In Iowa, 25 percent of the state's LIC's are eligible to be nominated to the U.S. Department of the Treasury for Opportunity Zone designation. The Iowa Economic Development Authority is currently accepting applications from eligible Iowa applicants interested in being nominated to secure this designation. Once designated, the tracts will be in place for 10 years.

Anticipated Process and Timeline

- Application and Instructions sent via email to all eligible local Iowa government offices (239 eligible census tracts): February 23, 2018
- Submit applications to opportunityzones@iowaeda.com by: March 19, 2018
- Office of the Governor submits Iowa nominations to the U.S. Department of the Treasury for review by: April 20, 2018

Official Opportunity Zones designations will be determined by the **U.S. Department of the Treasury** and announced by the Office of the Governor.

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