

What is an Opportunity Zone?

The Tax Cuts and Jobs Act of 2017 (P.L. 115-97) allowed governors to nominate certain census tracts as Opportunity Zones, subject to approval from the U.S. Department of Treasury. Up to 25% of a state's low-income census tracts were eligible for designation, which permitted Indiana to nominate up to 156 census tracts as Opportunity Zones. States were required to submit their lists of Opportunity Zones to the U.S. Department of Treasury no later than April 20.

Opportunity Zones provide federal capital gains tax advantages for investments made in these areas. This designation is intended to attract capital investment into areas that are economically distressed.

To be eligible as an Opportunity Zone, census tracts had to qualify as "low-income". To do so, the census tract must have met one of the following requirements:

1. The tract has a poverty rate of at least 20%; OR
2. (A) For a census tract in a metropolitan area, the tract's median family income does not exceed 80% of the greater of: the metropolitan area median family income or the statewide median family income; or (B) For a census tract in a non-metropolitan area, the tract does not exceed 80% of the statewide median family income.

However, if the census tract is located within a high migration rural county, the tract qualified as low-income if it did not exceed 85% (as opposed to 80%) of statewide median family income. A "high migration rural county" is any rural county that, during the 20-year period ending with the year in which the most recent census was conducted, has a net outmigration of inhabitants from the county of at least 10% of the county population at the beginning of such period.

Looking for more information about Opportunity Zones? Visit the U.S. Department of the Treasury and the Economic Innovation Group website for more information

If you have any questions regarding the Opportunity Zone program or nomination process, please email opportunityzones@gov.in.gov

INDIANA- NEW ALBANY OPPORTUNITY ZONE

