

# Opportunity Zone

Opportunity Zones are an economic development tool that allows people to invest in distressed areas in the United States. Their purpose is to spur economic growth and job creation in low-income communities while providing tax benefits to investors. Opportunity Zones were created under the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97). Thousands of low-income communities in all 50 states, the District of Columbia and five U.S. territories are designated as Qualified Opportunity Zones.



In 2018, the U.S. Treasury made opportunity zone designations across the country to encourage long-term investments through a federal tax incentive. Governor Brown's nomination resulted in 86 qualified opportunity zones in Oregon.

Opportunity Zones can deliver significant tax savings on medium- to long-term investments in economically disadvantaged communities. This new tax incentive pertains to both the capital gains invested initially through a qualified opportunity fund (QOF), as well as future capital gains earned on the original investment in zone-based businesses or projects.

Each zone consists of an entire census tract, as established for the decennial U.S. Census. Tracts vary in size but generally align with population density. Oregon has 834 census tracts, more than 300 of which were eligible by meeting the definition of a "low income community" in terms of median family incomes or poverty rates. Oregon could nominate up to 86 zones, as each state was allowed up to 25% of its low income communities for designation.

The designations are in effect until December 31, 2028, and offer a predictable basis for private investment decisions over several years. Current federal law provides no means to change or add zones. As such, Oregon's nomination process entailed thorough analysis of all relevant census tracts for their potential to be used and to address economic needs, as well as extensive outreach to the general public, federally recognized Indian Tribes, local governments, and other parties over a 3-month period. Aside from the opportunity zone nomination process, state government does not have an ongoing, official role under federal law.

## Web Links

- [Oregon Opportunity Zones](#)
- [Opportunity Zones - IRS](#)
- [HUD Opportunity Zones - Resources](#)
- [Reedsport Opportunity Zone Map](#)