

# Qualified Opportunity Zones

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## Core Terms

- **QOZ**: qualified opportunity zone
  - Designated “low-income community” census tracts.
- **QOF**: qualified opportunity fund
  - Fund, qualifying investment in which creates benefits for QOZ investment.
- **QOZB**: qualified opportunity zone business
  - QOZ local business in which QOFs can invest.
- **QOZBP**: qualified opportunity zone business property
  - Tangible property representing QOF/QOZB investment in a QOZ.

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# Sources of Law

- Pub. L. 115-97, Title I, Section 13823(a), 131 Stat. 2054 (12/22/2017)
  - IRC § 1400Z-1: designation of QOZs
  - IRC § 1400Z-2: defines QOZ benefits (and QOFs, QOZBs, QOZBP, etc.)
- Proposed Regulations:
  - REG-115420-18 (10/29/2018) and
  - REG-120186-18 (5/1/2019)
- Other Guidance:
  - Rev. Proc. 2008-16: QOZ designation process
  - IRS Notice 2018-48: list of designated QOZs
  - Rev. Proc. 2008-29: land and improvements as QOZBP
  - IRS Form 8996: QOF self-certification and penalty tax
  - IRS Form 8949: use a “Z” to identify capital gains deferred QOF investment

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## QOZs

- Designated under IRC § 1400Z-1.
- Designated by the states from their existing “low-income communities” for the New Markets Tax Credit under IRC § 45D. Maximum 25% (or 25 if larger) of those low-income communities could be designated.
- Designations last 10 years.
- List published in Notice 2018-48.
- Interactive map provided by CDFI:  
[https://www.cims.cdfifund.gov/preparation/?config=config\\_nmtc.xml](https://www.cims.cdfifund.gov/preparation/?config=config_nmtc.xml)

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