



[CLICK HERE to return to the home page](#)

Internal Revenue Code Section 1400Z-1(c)(2)(C)

Designation

(a) Qualified opportunity zone defined.

For the purposes of this subchapter, the term "qualified opportunity zone" means a population census tract that is a low-income community that is designated as a qualified opportunity zone.

(b) Designation.

(1) In general.

For purposes of subsection (a) , a population census tract that is a low-income community is designated as a qualified opportunity zone if-

(A) not later than the end of the determination period, the chief executive officer of the State in which the tract is located-

(i) nominates the tract for designation as a qualified opportunity zone, and

(ii) notifies the Secretary in writing of such nomination, and

(B) the Secretary certifies such nomination and designates such tract as a qualified opportunity zone before the end of the consideration period.

(2) Extension of periods.

A chief executive officer of a State may request that the Secretary extend either the determination or consideration period, or both (determined without regard to this subparagraph), for an additional 30 days.

Note: Section 1400Z-1(b)(3), below, is repealed effective Dec. 31, 2026.

(3) Special rule for Puerto Rico.

Each population census tract in Puerto Rico that is a low-income community shall be deemed to be certified and designated as a qualified opportunity zone, effective on the date of the enactment of Public Law 115-97.

(c) Other definitions.

For purposes of this section-

(1) Low-income communities.

The term "low-income community" means any population census tract if-

(A) such population census tract has a median family income that-

(i) in the case of a population census tract not located within a metropolitan area, does not exceed 70 percent of the statewide median family income, or

(ii) in the case of a population census tract located within a metropolitan area, does not exceed 70 percent of the metropolitan area median family income, or

(B) such population census tract-

(i) has a poverty rate of at least 20 percent, and

(ii) has a median family income that-

(I) in the case of a population census tract not located within a metropolitan area, does not exceed 125 percent of the statewide median family income, or

(II) in the case of a population census tract located within a metropolitan area, does not exceed 125 percent of the metropolitan area median family income.

(2) Definition of periods.

(A) Consideration period. The term "consideration period" means the 30-day period beginning on the date on which the Secretary receives notice under subsection (b)(1)(A)(ii) , as extended under subsection (b)(2) .

(B) Determination period. The term "determination period" means the 90-day period beginning on the decennial determination date, as extended under subsection (b)(2) .

(C) Decennial determination date. The term "decennial determination date" means-

(i) July 1, 2026, and

(ii) each July 1 of the year that is 10 years after the preceding decennial determination date under this subparagraph.

(3) State.

For purposes of this section , the term "State" includes any possession of the United States.

(d) Number of designations.

(1) In general.

Except as provided by paragraph (2) , the number of population census tracts in a State that may be designated as qualified opportunity zones under this section during any period may not exceed 25 percent of the number of low-income communities in the State.

(2) Exception.

If the number of low-income communities in a State is less than 100, then a total of 25 of such tracts may be designated as qualified opportunity zones during any period.

(e) Period for which designation is in effect.

(1) In general.

A designation as a qualified opportunity zone shall remain in effect for the period beginning on the applicable start date and ending on the day before the date that is 10 years after the applicable start date.

(2) Applicable start date.

For purposes of this section, the term "applicable start date" means, with respect to any qualified opportunity zone designated under this section, the January 1 following the date on which such qualified opportunity zone was certified and designated by the Secretary under subsection (b)(1)(B) .