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## **New Redevelopment Tax Incentive Program Starting to Take Shape.**

With [big questions](#) about the new Opportunity Zones program still on the table, the U.S. Department of the Treasury has begun to issue approvals of opportunity zone designations.

The Opportunity Zones program came about as a late addition to the tax-cut bill passed by Congress at the end of 2017. Its inclusion, orchestrated by senators Cory Booker (D-NJ) and Tim Cook (R-SC), surprised many in the community development and state policy sectors because the proposal had been floated for a few years running, to no avail.

The program offers investors a capital gains tax reduction in exchange for investing capital gains income into designated census tracts, known as opportunity zones. Governors could request the Treasury Department to designate up to 25 percent of eligible census tracts in their state, plus a smaller percentage of census tracts adjacent to eligible census tracts. To be eligible, census tracts must have poverty rates of at least 20 percent, or median family incomes of no more than 80 percent of the statewide or metropolitan area averages. Each governor had until March 21 to submit a selection or request a 30-day extension from the U.S. Treasury. Opportunity zone designations are in place for the next ten years. Unless the program is renewed later, those who did not submit requested census tracts effectively opted out of the program.

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