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## **Zones for New Federal Tax Breaks Approved in All 50 States.**

***Guidance for the “Opportunity Zones” program, which will provide tax breaks for investments in low-income areas, is still forthcoming.***

The selection process is now complete for the newly created Opportunity Zones program, which will offer federal tax incentives for investments in low-income communities.

On Thursday, the U.S. Treasury Department and the Internal Revenue Service announced that they’d approved a final round of zone designations, and that areas have been tapped for the program in all 50 states and the District of Columbia.

The IRS is still working on guidance for the certification of investment funds that will be qualified to participate in the program and for the investments that will be eligible, according to the Treasury Department. In late April, the IRS released a frequently asked questions [document](#) that provided some new specifics.

Governors were responsible for nominating zones in their states and Treasury and the IRS signed off on the designations.

This week’s zone approvals were in Florida, Nevada, Pennsylvania and Utah.

Treasury says that nearly 35 million people live in the designated zones and that census tracts in the zones have an average poverty rate of about 32 percent based on figures from 2011 to 2015, compared to a rate of 17 percent for the average U.S. census tract.

Proponents say Opportunity Zones hold great promise for drawing new money into communities that have previously failed to attract investment. But there are skeptics, as well, including some who point to the limited effectiveness of similar programs in the past.

There have also been worries that governors would skew their zone selections toward gentrifying areas.

[Research](#) the Urban Institute released last month found that only 3.2 percent of the census tracts selected had experienced high degrees of “socioeconomic change,” a proxy for gentrification, from 2000 to 2016. But this metric varied from state to state. For instance, it was zero in West Virginia, but 13 percent in New York.

It’s possible that investments through the program could go toward a lot of different ventures, including real estate, infrastructure and start-up businesses.

The Opportunity Zones program was created as part of the sweeping federal tax overhaul that Republicans pushed through late last year. A list and map of the zone designations can be found [here](#).

**Route Fifty**

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