

Texas Designates Opportunity Zones

Texas Government Insider, 3/23/2018

The deadline was March 21 for governors to submit their recommendations for **Opportunity Zone** designations to the U.S. Department of Treasury, unless the state requests a 30-day extension. After receipt of the state's nomination, the Treasury will have 30 days to certify the nominated Opportunity Zones or provide further guidance to the state. The federal tax bill passed at the end of December 2017 allows the governor to designate certain census tracts as Opportunity Zones.

Investments made by individuals through special funds in these zones would be allowed to defer or eliminate federal taxes on capital gains. The governor can designate up to 25 percent of census tracts that either have poverty rates of at least 20 percent or median family incomes of no more than 80 percent of statewide or metropolitan area family income.

After an extensive analysis of Texas' eligible tracts, and using a multi-step process to identify eligible areas in particular need due to chronic unemployment, lower population density, and significant economic disruptors such as natural disasters within the past two years, Texas designated 628 census tracts in 145 counties as Opportunity Zones. The complete list of the state's Opportunity Zone designations is located [here](#).