

Part IV – Items of General Interest

Qualified Opportunity Zone Boundaries Unaffected by 2020 Decennial Census Changes

Announcement 2021-10

In response to questions from the public on the effect, if any, of the 2020 decennial census, recently released by the U.S. Census Bureau, on boundaries of qualified opportunity zones (each, a QOZ) listed in Notice 2018-48, 2018-28 I.R.B. 9, or Notice 2019-42, 2019-29 I.R.B. 352 (each, a Designated QOZ), this announcement confirms that the boundaries of the Designated QOZs were established at the time they were designated and are not subject to change.¹

Section 13823 of Public Law 115-97 (December 22, 2017), commonly referred to as the Tax Cuts and Jobs Act, amended the Internal Revenue Code (Code) by adding sections 1400Z-1 and 1400Z-2 to the Code. Section 1400Z-1 provides the rules under which population census tracts located in one of the 50 States, the District of Columbia,

¹ The Department of the Treasury Community Development Financial Institutions Fund (CDFI Fund), which together with the IRS compiled data to identify each census tract eligible to be nominated and designated as a Designated QOZ to implement section 1400Z-1, has stated on its Opportunity Zones Resources webpage since 2018 that boundaries of Designated QOZs “are based upon the boundaries of the tract at the time of the designation in 2018, and do not change over the period of the designation, even if the boundaries of an individual census tract are redefined in future Census releases.” [See www.cdfifund.gov/opportunity-zones.](http://www.cdfifund.gov/opportunity-zones)

or the U.S. territories were required to be nominated by the chief executive officer (CEO) of a State, the District of Columbia, or a U.S. territory and designated as QOZs by the Secretary of the Treasury or his delegate (Secretary). Section 1400Z-1 contains limited timeframes that ended in 2018 by which all nominations by CEOs and designations by the Secretary of QOZs were required to be made. That section also provides special rules for population census tracts located in Puerto Rico.

Notice 2018-48 and Notice 2019-42 set forth lists of the Designated QOZs based on census tract numbers and census tract boundaries that existed as of the respective 2018 and 2019 publication dates of those notices. These census tract numbers and boundaries, as incorporated by reference into Notice 2018-48 and Notice 2019-42, are based on the 2010 decennial census and those boundaries define the boundaries of the Designated QOZs.²

Section 1400Z-1 does not permit QOZs to be nominated or designated after the statutory deadlines; nor does it permit any post-designation changes to the boundaries of the Designated QOZs. The boundaries of the Designated QOZs were established at the time they were designated and are not subject to change. Accordingly, boundaries of a Designated QOZ do not shrink or expand if the 2020 decennial census results in a change to the boundaries of a census tract. Similarly, if the 2020 decennial census results in a change to a 2010 census tract number listed in Notice 2018-48 and Notice

² The CDFI Fund continues to assist the IRS with the administration of section 1400Z-1 by maintaining a database and map of the Designated QOZs that stakeholders may use to assist with determining whether an address is located within a Designated QOZ. See www.cdfifund.gov/opportunity-zones for additional information.

2019-42 and associated with a Designated QOZ, the 2010 census tract number continues to apply for purposes of identifying the Designated QOZ.

DRAFTING INFORMATION

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