

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE WASHINGTON, D.C. 20224

September 2, 2021

Number: **2021-0016** Release Date: 9/24/2021

CONEX-116176-21

UIL: 9999.98-00

The Honorable David P. Joyce Member, U.S. House of Representatives 8500 Station Street, Suite 390 Mentor, OH 44060

Attention:

Dear Representative Joyce:

I am responding to your July 16, 2021 inquiry on behalf of your constituent and economic development director for the City of

asked if it is possible to extend the boundaries of a qualified opportunity zone (QOZ) to include a connecting parcel located outside of the QOZ.

Section 13823 of Public Law 115-97 (December 22, 2017) 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 certain population census tracts were nominated and designated as QOZs by the Secretary of the Treasury or his delegate. Section 1400Z-1 contains limited timeframes that ended in 2018. The law required all nominations and designations to be made during these timeframes.

Notice 2018-48, 2018-28 I.R.B. 9, and Notice 2019-42, 2019-29 I.R.B. 352 set forth lists of the 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 QOZs.

Announcement 2021-10, 2021-22 I.R.B. 1170, provides that Section 1400Z-1 of the Code does not permit QOZs to be nominated or designated after the statutory

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deadlines; nor does it permit any post-designation changes to the boundaries of the designated QOZs. Therefore, the boundaries of the QOZs were established at the time they were designated and are not subject to change.

I hope this information is helpful. If you have additional questions, please contact at

Sincerely,

Julie Hanlon-Bolton Deputy Associate Chief Counsel Income Tax and Accounting