Part III.

Amplification of Notice 2018-48 to Include Additional Puerto Rico Designated Qualified Opportunity Zones

Notice 2019-42

PURPOSE

This notice amplifies Notice 2018-48, 2018-28 I.R.B. 9, which lists the population census tracts that the Secretary of the Treasury (Secretary) designated as qualified opportunity zones (QOZs). Specifically, this notice adds two additional census tracts in Puerto Rico that have been designated as QOZs.

BACKGROUND

Section 13823 of the Tax Cuts and Jobs Act, P.L. 115-97 (TCJA), which was enacted December 22, 2017, amended the Code by adding §§ 1400Z-1 and 1400Z-2. Section 1400Z–1(b)(1)(A) of the Code allows the Chief Executive Officer (CEO) of each State (including the CEOs of the District of Columbia and of U.S. territories) to nominate a limited number of population census tracts to be designated as QOZs for purposes of §§ 1400Z-1 and 1400Z-2.

Due to the complexities of incorporating the most recent census data information into the eligibility process, the Treasury Department utilized the 2011-2015 ACS data for initial eligibility determinations. States were permitted, however, to nominate census tracts not already identified by the Treasury Department if they provided evidence of the tract’s eligibility under the 2012-2016 ACS data. Following the initial designations, the Treasury Department reviewed and identified two additional eligible LIC census tracts in Puerto Rico based on the 2012-2016 ACS data.

APPLICATION

Two additional census tracts (72119130102 and 72137122002) that are LICs in Puerto Rico are deemed to be certified and designated as QOZs under § 1400Z-1(b)(3) of the Internal Revenue Code (Code).

EFFECT ON OTHER DOCUMENTS

Notice 2018-48 is amplified by extending its scope to include the list of designated QOZs.

DRAFTING INFORMATION

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