



TaxNewsFlash

United States

No. 2026-147

July 1, 2026

Treasury opens new designation cycle for qualified opportunity zones (QOZs)

The U.S. Treasury Department today [announced](#) the opening of the next nomination period for states, territories, and the District of Columbia to nominate eligible communities to be designated as qualified opportunity zones (QOZs) as of January 1, 2027, for purposes of sections 1400Z-1 and 1400Z-2 as amended by the “One, Big, Beautiful Bill Act” (OBBBA).

Background

The OBBBA created a permanent QOZ tax incentive program effective January 1, 2027, that allows the Treasury Secretary to designate new QOZs every 10 years. The OBBBA also added tax benefits specific to investments made into QOZs that are comprised entirely of a rural area.

The IRS on April 6, 2026, released [Rev. Proc. 2026-14](#), providing guidance to states, territories, and the District of Columbia for nominating eligible communities as QOZs effective January 1, 2027, and including a list of 25,332 eligible census tracts for nomination, of which 8,334 are eligible for rural benefits enacted as part of the OBBBA.

For a period of 90 days (subject to a single 30-day extension) beginning today, state CEOs may nominate eligible census tracts to be designated as QOZs. To assist with the process, the Community Development Financial Institutions Fund (CDFI Fund) has developed an Opportunity Zone Nomination Tool, through which state CEOs can identify and select communities, and access detailed instructions for completing and submitting nominations.

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)