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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.

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