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Treasury, IRS provide guidance to States for nominating census tracts as qualified opportunity zones under the One, Big, Beautiful Bill

Note: This release was revised on April 8, 2026, to incorporate a statement from Treasury Secretary Scott Bessent.

IR-2026-45, April 6, 2026

WASHINGTON — The Department of the Treasury and the Internal Revenue Service today issued guidance to the Chief Executive Officers of any State, the District of Columbia, and U.S. territories regarding the procedure for nominating population census tracts to be designated as qualified opportunity zones (QOZs) under the One, Big, Beautiful Bill.

“Under President Trump’s leadership, the Working Families Tax Cuts permanently renewed and strengthened Opportunity Zones, giving investors, entrepreneurs, and local leaders the long-term certainty they need to commit capital to communities that have been overlooked for too long,” said Treasury Secretary Scott Bessent. “This guidance is an important next step to continue driving private capital into productive investment, job creation, and opportunity to local communities across America.”

“Permanently extending and expanding Qualified Opportunity Zones offers states an opportunity to attract long-term investment into underserved, rural, and economically distressed areas,” said IRS Chief Executive Officer Frank J. Bisignano. “The IRS works collaboratively with the Treasury Department and the states to ensure a smooth QOZ designation process, which in turn encourages investment in Qualified Opportunity Funds that spur economic development.”

[Revenue Procedure 2026-14](#) [PDF](#), which describes the nomination process, also identifies the eligible population census tracts, including those that are comprised entirely of a rural area, which may be nominated by the CEOs of the States, the District of Columbia, and the U.S. territories (States) to be designated as QOZs beginning in 2027.

New QOZ designations under OBBB

A QOZ is an economically distressed area in which new investments, under certain conditions, may be eligible for preferential tax treatment. The OBBB makes the QOZ tax incentive permanent. The first round of QOZ designations following the enactment of the OBBB will take effect on Jan. 1, 2027, with new rounds following every 10 years. In addition, the OBBB added tax benefits specific to investments made into QOZs that are comprised entirely of a rural area.


To be eligible for QOZ designation for 2027, a census tract must qualify as a low-income community (LIC). Rev. Proc. 2026-14 identifies 25,332 population census tracts that are LICs eligible for nomination as a QOZ. Of those, 8,334 tracts are comprised entirely of a rural area. By law, the number of population census tracts in a State that may be designated as QOZs may not exceed 25% of the number of LICs in the State. If a State contains 25 – 99 LICs, then a total of 25 eligible population census tracts may be designated and if a State contains fewer than 25 LICs, then all eligible population tracts within the State may be designated.

Beginning on July 1, 2026, and lasting a period of 90 days, subject to a single 30-day extension, State CEOs will begin nominating eligible census tracts to be designated as QOZs. Following the nomination process, the Secretary of the Treasury will certify and designate the nominated census tracts as QOZs. The Treasury Department and the IRS expect to issue additional guidance identifying the designated QOZs following the conclusion of the nominations and designation process, prior to Jan. 1, 2027.

Online tools and resources to be made available to State CEOs

To help with the nomination process, online tools and resources will be rolled out to State CEOs in the coming months to ensure efficiency and accuracy of their nominations.

In addition, the Treasury Department and the IRS previously issued [Notice 2025-50](#) [PDF](#) providing guidance on [QOZ investments in rural areas](#) as provided for under OBBB. For more information, see [One, Big, Beautiful Bill provisions](#) on IRS.gov.

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