

Request: Support for legislation amending how the Opportunity Zone (OZ) census tracks are selected, included, substituted or removed from the program. This would require coordination with members of the House of Representatives and Senate and need support from additional states.

Background: The Opportunity Zones program was created by the 2017 Tax Cut and Jobs Act. The OZ program offers various levels of tax deferral, contingent upon capital investment and business expansion within a designated OZ.

Although OZs are regulated by the Federal Internal Revenue Service (IRS), local designation is completed by each state. In California, the Governor makes the final determination for the location of OZs. These areas are evaluated based on poverty rates and median family income.

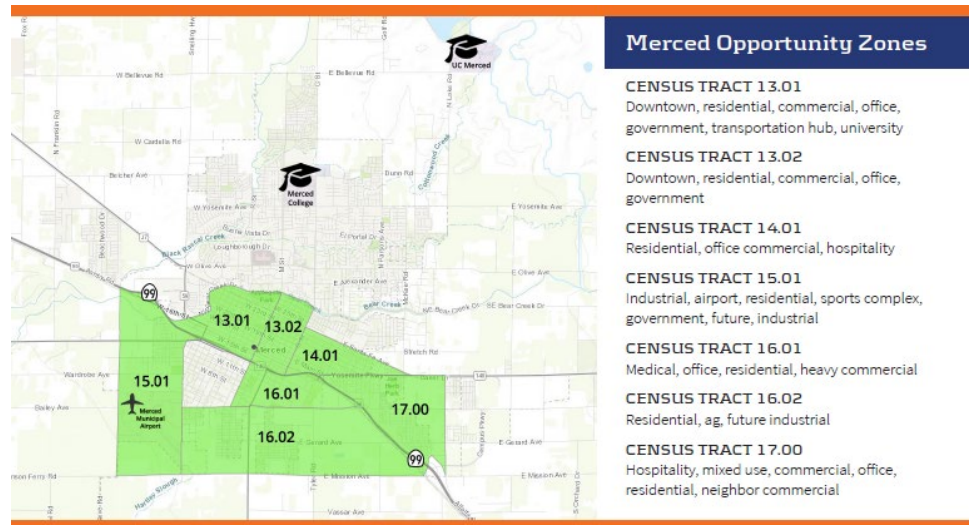
Merced County's unemployment rate is historically double that of the nation's. Job generating

employment centers are not always located in designated OP Zone Census Tracts. The change in regulations would provide an opportunity to put more of the targeted population to work.

OZ Goal: OZs were designed to spur long-term private sector investments in low-income urban and rural communities nationwide. These investments should target commercial and industrial real estate developments and renovation, opening new businesses, or expansion of existing businesses.

Beneficiaries:

- Merced County residents and businesses
- Unemployed persons and families
- Educational and job training agencies
- State of California



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