



DEPARTMENT OF THE TREASURY
WASHINGTON

February 8, 2018

ASSISTANT SECRETARY

The Honorable Mark Dayton
Governor
State of Minnesota
St. Paul, Minnesota 55155

Dear Governor Dayton:

I am writing to bring to your attention a new way to attract private investment to distressed areas of Minnesota. The Tax Cuts and Jobs Act, signed into law by President Trump on December 22, 2017, contains a new tax incentive for certain investments. The law allows States' and possessions' governors or chief executive officers to nominate census tracts in their jurisdictions as Opportunity Zones. By doing this, they can select the areas to benefit from the new incentives, because investments in Opportunity Zones enjoy significant tax advantages.

I am enclosing a revenue procedure that contains information on the designation of Opportunity Zones. It also describes how to access a public, on-line Information Tool, which identifies every census tract that is eligible for designation as an Opportunity Zone.

Under separate cover, you will receive information on how you can take advantage of a non-public, secure online Nomination Tool, which will facilitate your selection of tracts to nominate for designation and the subsequent communication of your nominations to the Internal Revenue Service.

The statute imposes a 90-day deadline from its enactment, thus governors and chief executive officers have until *March 21, 2018*, to make their nominations. A single 30-day extension can be requested, as described in the Revenue Procedure. The statute requires that *failure to submit timely nominations results in loss of the ability to designate any Opportunity Zones*.

The census tracts eligible for designation as Opportunity Zones include some of the most distressed areas in the country. If such a community becomes an Opportunity Zone, the resulting tax benefits may attract new investment into the community to create jobs, stimulate growth, and provide hope to the individuals and families living there. I encourage you to consider this opportunity by making timely nominations.

If you or your staff have any questions, please do not hesitate to contact Jeff Merkowitz at merkowitzj@cdfi.treas.gov or 202-653-0300.

Sincerely,

David J. Kautter
Assistant Secretary for Tax Policy

Enclosure