Disaster Opportunity Zones Act

Senators Marco Rubio and Rick Scott

Background: After a year of severe natural disasters, many regions of the United States continue to feel the effects of the destruction. Unfortunately, many of these areas have seen businesses close, residents move away, and communities changed forever. A new allocation of opportunity zones would supplement state and federal disaster relief by encouraging private investment in low-income census tracts affected by Hurricanes Florence and Michael as well as the California Wildfires.

Opportunity Zones: Qualified Opportunity Zones were enacted by the TCJA to stimulate long-term economic development in underserved, low-income census tracts by reducing or exempting portions of capital gains tax liability. Opportunity zones encourage private investment by providing tax incentives for investors who invest in qualified firms and property within specified census tracts.

The Disaster Opportunity Zones Act: The Disaster Opportunity Zone Act (DOZA) would enact a new round of opportunity zone designations for low-income census tracts in selected 2018 disaster areas. The process would be identical to the opportunity zones enacted by the Tax Cuts and Jobs Act (TCJA), and certified tracts would be eligible for the same tax treatment as the TCJA opportunity zones. North Carolina, South Carolina, Georgia, Florida, and California governors would select up to the greater of 25 percent, or 25, low-income census tracts affected by natural disasters from January 1, 2018 to March 1, 2019 under the Stafford Act to be disaster opportunity zones. Like the TCJA, the new opportunity zones would be approved by the U.S. Treasury.