

2019 Regular Session

HOUSE RESOLUTION NO. 206

BY REPRESENTATIVE GLOVER

A RESOLUTION

To urge and request Governor John Bel Edwards and Louisiana Economic Development to reconsider nominating Louisiana Census Tract 217 as a qualified opportunity zone; the Louisiana congressional delegation to consider offering legislation to amend the Tax Cuts and Jobs Act of 2017; and the United States Department of the Treasury and the Internal Revenue Service to amend 26 U.S.C. Subchapter Z to allow for additional qualified opportunity zones.

WHEREAS, the opportunity zones incentive is a new community investment tool established by Congress in the Tax Cuts and Jobs Act of 2017; and

WHEREAS, opportunity zones were created to encourage long-term investments in low-income urban and rural communities nationwide by providing a tax incentive for investors to re-invest their unrealized capital gains into dedicated qualified opportunity funds; and

WHEREAS, qualified opportunity zones are low-income census tracts nominated by governors and certified by the United States Department of the Treasury; and

WHEREAS, qualified opportunity zones retain the designation for ten years; and

WHEREAS, investors can defer tax on any prior gains until no later than December 31, 2026, as long as the gain is reinvested in a qualified opportunity fund, an investment vehicle organized to make investments in qualified opportunity zones; and

WHEREAS, if an investor holds an investment in the qualified opportunity fund for at least ten years, the investor would be eligible for an increase in its basis equal to the fair market value of the investment on the date that it is sold; and

WHEREAS, seven census tracts in the Shreveport/Bossier area were designated as qualified opportunity zones; and

WHEREAS, Louisiana Census Tract 217 consists of Ochsner LSU Health Shreveport, University Health, and BRF, formerly the Biomedical Research Foundation, and the Willis-Knighton Health System corridor; and

WHEREAS, the exclusion of Louisiana Census Tract 217 is a missed opportunity for investment in the future of the Shreveport/Bossier area and Louisiana as a whole; and

WHEREAS, according to correspondence from Caddo Parish District Three Commissioner Steven Jackson, designating Louisiana Census Tract 217 would allow investors to live up to the recommendations of a 2030 Great Expectations Shreveport-Caddo Master Plan, which specifically calls for a revitalization program that encompasses Ochsner LSU Health and Willis-Knighton areas as a mixed-income, mixed-use neighborhood and employment hub and as an example of planning and public-private investment to create critical mass for revitalization success; and

WHEREAS, the United States Department of the Treasury contends that the Tax Cuts and Jobs Act of 2017 and legislative history of the qualified opportunity zone designations, under IRC § 1400Z, do not contemplate an opportunity for additional or revised designations after the maximum number of zones allowable have been designated in a state or territory.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request Governor John Bel Edwards and Louisiana Economic Development to reconsider nominating Louisiana Census Tract 217 as a qualified opportunity zone; the Louisiana congressional delegation to consider offering legislation to amend the Tax Cuts and Jobs Act of 2017; and the United States Department of the Treasury and the Internal Revenue Service to amend 26 U.S.C. Subchapter Z to allow for additional qualified opportunity zones.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to Governor John Bel Edwards, the secretary of Louisiana Economic Development, each member of the Louisiana congressional delegation, the secretary of the United States Department of the Treasury, and the commissioner of the Internal Revenue Service.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES