

115TH CONGRESS
2D SESSION

H. R. 7242

To amend the Internal Revenue Code of 1986 to allow certain areas affected by certain Federally declared disasters to be designated as opportunity zones.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2018

Mr. MEADOWS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow certain areas affected by certain Federally declared disasters to be designated as opportunity zones.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Disaster Recovery and
5 Opportunity Act of 2018”.

6 **SEC. 2. TREATMENT AS OPPORTUNITY ZONES.**

7 (a) IN GENERAL.—Section 1400Z–1 of the Internal
8 Revenue Code of 1986 is amended by adding at the end
9 the following new subsection:

10 “(g) CERTAIN DISASTER ZONES.—

1 “(1) DESIGNATION.—With respect to a Feder-
2 ally declared disaster, the chief executive officer of
3 a State may designate under this paragraph not
4 more than 5 percent of the applicable disaster tracts
5 in such State with respect to such disaster.

6 “(2) NO EFFECT ON LIMITATION ON NUMBER
7 OF DESIGNATIONS.—An applicable disaster tract
8 designated under paragraph (1) shall not be taken
9 into account in determining the limitation under
10 subsection (d).

11 “(3) APPLICABLE DISASTER TRACT.—The term
12 ‘applicable disaster tract’ means, with respect to a
13 Federally declared disaster, a population census
14 tract in the disaster area related to such disaster.

15 “(4) FEDERALLY DECLARED DISASTER; DIS-
16 ASTER AREA.—In this subsection, the term ‘Feder-
17 ally declared disaster’ and the term ‘disaster area’
18 have the meaning given such terms in section 165(i).

19 “(5) APPLICABLE START DATE.—

20 “(A) QUALIFIED OPPORTUNITY FUND
21 BUSINESSES AND PROPERTY.—In the case of an
22 applicable disaster tract designated under para-
23 graph (1), subparagraphs (B)(i)(I), (C)(i), and
24 (D)(i)(I) of section 1400Z-2(d)(2) shall each be

1 applied by substituting ‘the applicable start
2 date’ for ‘December 31, 2017’.

3 “(B) EXTENSION OF DETERMINATION PE-
4 RIOD.—In the case of an applicable disaster
5 tract designated under paragraph (1), section
6 (c)(2)(B) shall be applied by substituting ‘the
7 applicable start date’ for ‘the date of the enact-
8 ment of the Tax Cuts and Jobs Act’.

9 “(C) APPLICABLE START DATE.—The term
10 ‘applicable start date’ means, with respect to a
11 disaster area, the earliest incident date specified
12 in the declaration to which such area relates.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply with respect to Federally declared
15 disasters declared after the date of the enactment of this
16 Act.

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