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Use of the Opportunity Zone Tax Incentive
through 2024: An Update

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Use of the Opportunity Zone Tax Incentive through 2024: An Update¹

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Abstract

This paper serves as a standalone update to our 2023 working paper, “Use of the Opportunity Zone (OZ) Tax Incentive: What the Tax Data Tell Us.” While the original paper analyzes tax data through Tax Year (TY) 2020, this updated analysis studies reported investment through TY 2024. The additional four years of administrative tax data reveal expanded use of the OZ tax incentive, with 77 percent of designated OZs in the 50 states and Washington, DC receiving qualified investment, compared to 48 percent in the original paper. Total qualified investment rose to \$112 billion, compared to \$44 billion previously reported for TY 2020.

¹ This research was conducted while the authors were employees of the U.S. Department of the Treasury. The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors and do not necessarily reflect the views or the official positions of the U.S. Department of the Treasury. Any confidential taxpayer data used in this research were kept in a secured IRS data repository, and all results have been reviewed to ensure that no confidential information is disclosed.

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1. Introduction

The Tax Cuts and Jobs Act (TCJA) of 2017 created the opportunity zone (OZ) tax incentive to spur private investment and economic activity in low-income communities (LICs) through capital gains tax relief. The OZ tax incentive provides capital gains tax relief for taxpayers who make a qualified investment in a Qualified Opportunity Fund (QOF), which is an investment vehicle organized for the purpose of investing in qualified opportunity zone property. A full description of the OZ tax incentive is provided in our 2023 working paper, “Use of the Opportunity Zone Tax Incentive: What the Tax Data Tell Us” (Coyne and Johnson, 2023).

We use information from federal tax returns, in particular Internal Revenue Service (IRS) Forms 8996 and 8997, to analyze the distribution of investments across OZs, the types of OZs that have so far attracted investment through QOFs, and the characteristics of taxpayers that invest in QOFs. We focus on returns for Tax Year (TY) 2024, the latest year for which data is available. Our 2023 OTA Working Paper offered analysis through TY 2020.

The OZ tax incentive has continued to be widely used by a variety of investors. Our original paper found that nearly half of designated OZs had received some qualified investment through TY 2020 out of a cumulative qualified investment of \$44 billion. By 2024, cumulative qualified investment had increased to \$112 billion and more than three-quarters of designated OZs had received qualified investment.

Our main empirical findings largely corroborate the recent literature that suggests that capital investment has flowed into OZs. They also support the literature’s assertion that OZ investment has been unevenly distributed across areas and more heavily concentrated in less-distressed areas and areas already trending toward economic growth. However, despite the persistence of this uneven distribution, the updated data for our analysis also show much broader geographic investment patterns than were previously observable.

Because of major changes to the OZ tax incentive from the One, Big, Beautiful Bill Act (OBBBA), states will begin nominating tracts for future rounds of OZs starting in mid-2026. Understanding which tracts attracted capital investment under prior law can help inform these nomination decisions, particularly around location and rural status, baseline economic distress, comparative income rank within the state, and prior growth trends.

The empirical analysis below therefore serves two purposes. First, it updates the descriptive record of QOF investment through TY 2024. Second, it provides stakeholders with evidence on the types of OZ tracts that attracted capital throughout the first round. This evidence may be informative as states evaluate eligible tracts for future nomination rounds under the revised eligibility criteria and incentive structure, which we describe in Section 5.

The rest of this paper is organized as follows. First, we review the recent economic research on OZs in Section 2. Section 3 describes the administrative tax data, as well as other Census data we use for this analysis. Section 4 presents our findings and analysis of OZ investment through TY 2024. We describe the changes to the OZ incentive that were enacted in the OBBBA in Section 5. Finally, Section 6 concludes.

2. Recent Literature on OZs

The early economic literature on the impact of the OZ tax incentive on employment, investment, and asset prices within OZs is summarized by Coyne and Johnson (2023) and Corinth and Feldman (2024). While some studies, such as Arefeva et al. (2025), found evidence of increased economic activity within OZs, other studies found little to no effect. However, it was not clear if those estimates were indicative of the ultimate result of the OZ tax incentive or that the studies were done before most of the effects could be measured given the lag in time for new developments to be put into service. We provide a brief overview of studies completed since those earlier reviews.

Corinth et al. (2026) compared the distribution of investment under OZs to the distribution of investment under New Markets Tax Credit, another place-based policy aimed at spurring community development in LICs. While there were some broad similarities in location of qualifying investment when using a national distribution of census tracts according to various measures of economic well-being, the authors found important differences as well. OZ investment is generally less targeted toward census tracts with higher indicators of economic distress than NMTC investment. Furthermore, OZ investment is more likely to flow to areas with recent population and economic growth. In particular, areas with recent commercial and multifamily investment were much more likely to receive OZ investment than NMTC investment. This paper also noted that much of OZ investment is targeted toward residential rental property.

The impact of OZ designation on residential property development was examined further by Glasner et al. (2026). They use United States Postal Service (USPS) Administrative Data on Address Vacancies that is aggregated by the Department of Housing and Urban Development (HUD) to estimate the change in residential addresses in OZs. They estimate that residential housing addresses in OZs relative to eligible LICs not selected as OZs increased by approximately three percent cumulatively through the first quarter of 2025 and that growth was concentrated in urban areas.

Glancy et al. (2026) studied the impact of the OZ tax incentive on commercial real estate development in general and, in particular, estimated how much of the total increase in construction in OZs was due to governors choosing tracts where development was already likely to occur. They use construction project planning data from Dodge Data and Analytics to create a

measure of construction project planning starts in OZs and other tracts. They estimate that construction projects increase in OZs after designation, but that about two-thirds of the increase was due to governors selecting tracts with pre-existing planning activity. After controlling for pre-existing planning activity, they estimate that construction starts in OZs relative to eligible and non-designated tracts increased by 13 to 23 percent, depending on specification.

Freedman et al. (2025) examined the employment effects of the OZ tax incentive. They estimate that jobs in OZs increased by 1.3 percent after OZ designation compared to similarly eligible tracts that were not designated. However, more than three-quarters of these new jobs went to residents of nearby non-LIC tracts and fewer than one out of eight went to residents of OZs. Moreover, much of the increase in jobs in OZs reflects a geographic reshuffling rather than a net gain as approximately 83 percent of job increases in OZs are offset by job losses in nearby LICs. They also estimated that jobs for OZ residents increased by 0.8 percent, primarily in non-OZ tracts.

Overall, the literature suggests that the OZ tax incentive likely increased economic development and housing activity in designated tracts. However, it also suggests that investment and benefits appear unevenly distributed and often aligned with pre-existing growth trajectories.

3. Data

In 2018, the Department of the Treasury designated 8,764 census tracts that had been nominated by states and territories as qualified opportunity zones, of which 7,826 were in one of the 50 states or the District of Columbia (DC) and 938 were in the territories.³ A summary of eligible and designated tracts by state is shown in Table 1.⁴

The primary data used to analyze OZ investment in these tracts are administrative tax data filed by QOFs and collected by the IRS. These data are collected primarily on Form 8996, which is required for each QOF in each tax year. In addition, Form 8997 is filed by investors in QOFs and indicates how much deferred capital gains an individual or business has invested in QOFs, as well as identifying those QOFs.

³ The IRS published the list of these tracts in Notice 2018-48 amplified by Notice 2019-42, available at <https://www.irs.gov/pub/irs-drop/n-18-48.pdf> and <https://www.irs.gov/pub/irs-drop/n-19-42.pdf>.

⁴ Note that Tables 1 and 2 are replicated from Coyne and Johnson (2023), but with 2 differences. First, Puerto Rico is added as a row in both tables, but not the summary row. Second, we use a new definition of rural status that matches the definition of rural provided by the OBBBA, whereas Coyne and Johnson (2023) used a different definition for urban tracts.

QOFs report total assets and total qualified opportunity zone property held on the last day of the first 6-month period of the tax year and on the last day of the tax year on Part II of the form. The total assets and QOZ property holdings by QOFs reported in this paper are from Part II end-of-year amounts. We sometimes use the terms “investment” or “qualifying investment” when discussing the location and characteristics of QOZ property held by QOFs. Unless otherwise specified, these terms refer to the cumulative stock of QOZ property reported on Form 8996, either on Part II or from Parts V or VI.

Beginning with TY 2019, a QOF was required to report the location of its investment on Form 8996. For QOZ business property held directly by the QOF, the census tract location and the valuation of owned versus leased property is reported on Part V of the form. On Part VI, the QOF reports the valuation of ownership interests in qualified opportunity zone businesses (QOZBs) and the census tract location of the QOZB qualified property. These valuations are reported for the last day of the first 6-month period of the QOF’s tax year and on the last day of the tax year. In this paper, we only report the end-of-year numbers. When we discuss the location of investment, we are referring to these data from Parts V and VI. However, due to incomplete or inaccurate taxpayer reporting, not all QOZ property reported in Part II is accounted for in Parts V and VI. As a result, the location-based analysis in Section 4 pertains only to the subset of data for which location information is available, which accounts for 94 percent of the Part II total investment in TY 2024.

The vast majority of the information provided in this report comes from electronically filed returns. However, this has been supplemented by information from paper filed returns when available. In addition, for TY 2018, Form 8996 was not available in a format that allowed electronically filed returns to be available as machine readable data. Instead, for both paper and electronically filed returns, Form 8996 needed to be manually scanned by IRS workers. Images of these returns were made available to staff from the Office of Tax Analysis (OTA), who manually transcribed data from the relevant fields.

OTA staff manually transcribed paper Form 8996 returns for TY 2019 and 2021. The 2019 paper returns are also included in the 2020 totals reported in this paper, unless the taxpayer filed an electronic return in 2020. Similarly, the 2021 paper totals are also included in the 2021-2024 totals unless the taxpayer filed an electronic return in 2022-2024. This approach will overstate the asset values for some QOFs in future years (i.e. 2022-2024) and understate it for others, but it helps make the totals across years more comparable.

Form 8997 was first available for TY 2019 and is filed annually by investors in QOFs. Taxpayers are asked to report QOF investment holdings at the beginning of the tax year, end of the tax year, capital gains deferred by investing in a QOF in the current tax year, and QOF

investments disposed during the current tax year. Our paper includes information from Form 8997s included with 2019-2024 electronically filed returns.

Our analysis in particular focuses on the end-of-year deferred gains held in QOFs from Form 8997. In practice, we found that taxpayers do not always fill out each section of Form 8997 for each tax year their capital remains invested. As such, we use the end-of-year deferred gain totals when available, but when a taxpayer omits reporting a value for that section of Form 8997, we attempt to construct it by comparing the beginning-of-year deferred gain total plus the current tax year deferred gain total, less the disposed investment total.⁵

The OBBBA provided a new definition of rural areas, which we describe further in Section 5.⁶ To be consistent with this definition, we construct a rural indicator by comparing maps of census tracts to maps of cities and towns and urban areas as designated by the U.S. Census Bureau (Census). We use census tract boundaries as of 2017 to define the boundaries of OZ tracts. We similarly use 2017 place boundaries merged with Census population data to determine which cities and towns have populations greater than 50,000. Because urban areas are delineated in 2020 at the block level, we compare a map of 2020 urban blocks to the city/town boundaries to find the contiguous urban areas. If a census tract fully contains at least one block that is also fully contained within a city or town with population over 50,000 or a contiguous urban area, then we consider that tract to be non-rural. All other tracts are deemed rural. A summary of the rural status of OZs by state is provided in Table 2.

The remaining economic and demographic information comes from the Census Bureau's American Community Survey (ACS). We specifically use data from the 2013-2017 5-year ACS to capture the pre-TCJA demographics of areas prior to OZ designation in 2018. To compare economic and demographic trends prior to OZ designation, we compare these data to data from the 2008-2012 5-year ACS. Finally, to capture the demographic and economic variables for census tracts pertaining to OZ 2.0, we use data from the 2020-2024 5-year ACS.

4. Analysis

The level of QOZ property held by QOFs grew rapidly between TYs 2020 and 2024, increasing from \$44 billion at the end of 2020 to \$112 billion by the end of 2024.⁷ An influx of

⁵ For TY 2024, we find a difference of about \$7 billion between just using the reported end-of-year totals and using the constructed end-of-year totals for those missing end-of-year amounts.

⁶ The official definition of a rural area under OBBBA is described in IRS Notice 2025-50. A link to this notice and a more detailed methodology is provided on the Office of Tax Policy's Data Transparency page, located at <https://home.treasury.gov/policy-issues/tax-policy/data-transparency/qualified-opportunity-zones>.

⁷ The tax data used for this paper are those that were available as of April 30, 2026. The TY 2024 tax data may be incomplete if a taxpayer had not yet filed a 2024 tax return or if the IRS had not processed that 2024 tax return by that date. However, based on our analysis of previous years, we believe the 2024 data should be substantially complete.

investment in 2021 was expected due to the mandatory inclusion deadline of December 31, 2026. Deferred gains were allowed a 10 percent step-up in basis if they were held in a QOF for at least 5 years, effectively creating a December 31, 2021, investment deadline for that particular benefit. Indeed, the level of QOZ property in TY 2021 rose to \$66 billion, a 50 percent increase in the stock of QOZ property in a single year.

However, the level of QOZ property continued to rise even after the effective deadline for the 10 percent step-up in basis, rising to \$91 billion in TY 2022, \$105 billion in TY 2023, and finally to \$112 billion in 2024, as shown in Table 3. The growth in all years is due to multiple factors. First, there is new investment in QOFs from newly deferred capital gains. This investment may be influenced by general economic conditions and by the declining tax value of initial deferral of past gains as years near 2026. Second, QOFs and QOZBs are not limited to funding from deferred capital gains, and a portion of the qualifying assets may be financed through other forms of equity or debt. Third, asset values may have appreciated over time, which could raise the reported values of QOZ property, but this effect would only occur for QOFs electing the applicable financial statement valuation method.

Comparing the values from Table 3 and Table 4 illustrates these points. Table 4 reports the total amount of deferred gains invested in QOFs as reported by electronic filings of Form 8997. The total amount of deferred gains increases in each year, representing a net flow of deferred gains into QOFs for each year, increasing from \$39 billion in 2020 to \$75 billion in 2024. However, the level of deferred gains is a declining share of the level of total assets reported by QOFs on Form 8996, falling from around 81 percent in 2020 to about 65 percent in 2024. This likely represents the growing importance of other forms of financing for QOFs, especially debt, and to a lesser extent the possibility of adjustment of asset values on the balance sheet. Another source for the difference between the two tables is that we only include electronic submissions of Form 8997, while the totals for Form 8996 include paper returns. However, this is not likely to account for much of the difference given the relatively small share of paper returns that also has been declining over time.⁸

The flow of qualifying investment in and out of QOFs by year is reported on Parts II and III of Form 8997, respectively, and is shown in Table 5. The amount of newly deferred gains spikes up in 2019 and 2021, which represent the last years to qualify for the 7-year and 5-year step up in basis for deferred gains, respectively. The cumulative amount of current-year

⁸ Paper returns account for less than 10 percent of the total assets reported by QOFs in Table 3 and paper returns account for less than 10 percent of Forms 1120, 1120-S, 1065, and 1040 filed during fiscal year 2024, see <https://www.irs.gov/pub/irs-prior/p55b--052025.pdf>.

deferred gain invested in a QOF reported on Part II of Form 8997 through TY 2024 is \$90 billion,⁹ while the net deferred gain after subtracting dispositions is \$78 billion.¹⁰

Table 6 indicates that individuals continue to be the primary investor in QOFs, accounting for approximately 85 percent of Forms 8997 filed in both 2020 and 2024 and more than 60 percent of total reported deferred gains for both of those years. This is in contrast to other federal place-based tax incentives, such as the NMTC, where nearly all of the qualifying investment is done by corporations.¹¹ The typical Form 8997 filer that also electronically filed a Form 1040 has relatively high income, with a 2024 AGI of \$738,000, compared to an AGI of \$54,000 for a typical filer from the whole population of electronic Form 1040 filers.¹²

The number of QOFs increased from around 7,900 in 2020 to 12,800 in 2024, as shown in Table 3, but the share of QOFs by entity type remained stable with partnerships accounting for about 94 percent of the entities and a slightly smaller share of QOZ property and total assets in QOFs (see Table 7). Corporations other than S-corporations account for only 1 to 2 percent of QOFs, but around 10 percent of QOZ property (the corporate share falls from 11 percent in 2020 to 8 percent in 2024). S-corporations account for the remaining share.

While the reported investment totals suggest an average QOF investment close to \$9 million, the investment data is right-skewed. A typical QOF has roughly \$1.7 million in QOZ property through TY 2024. QOFs between the 20th and 30th percentile of the QOZ property distribution have an average of \$706,000 in QOZ property, while those between the 70th and 80th percentile have an average of \$6.9 million.

Only 28 percent of QOFs directly own or lease QOZ property, while most (75 percent) choose to invest through QOZBs and a small share do both. The typical QOF invests in only a single QOZB (59 percent), while just 16 percent invest in more than one QOZB. Most QOFs (84 percent) invest in a single tract. Although there are some QOFs that invest across a broad geographic area, they are relatively rare. Less than 3 percent of QOFs invest in 5 or more tracts.

Based on self-reported principal business activity reported on tax returns, real estate remains the dominant industry represented by QOZ property investment. For 2024, Table 8

⁹ This is calculated as the sum of Part II amounts reported on all Forms 8997 for TYs 2019-2024 plus the beginning-of-year amount reported for TY 2019 as a proxy for the TY 2018 current-year amount.

¹⁰ The difference between the \$78 billion net deferred gain calculated here and the \$75 billion in total deferred gain reported above is likely due to incomplete filing of Form 8997 by taxpayers.

¹¹ See Corinth et al. (2026) for further discussion. The individual share reported here is limited to Form 8997s that are included with Form 1040 returns and represents a lower bound of individual share. Individuals would also benefit from ownership of S-corporations and partnerships that defer gains and being the beneficiaries of estates and trusts that defer gains.

¹² In this section, “typical” refers to a rounded value based on the average of taxpayers that fall between the 45th and 55th percentiles of the distribution.

shows that the share of QOZ property held by QOFs in the real estate sector was 58 percent, followed by the finance and insurance sector at 29 percent and holding companies (management of companies and enterprises) at eight percent. This pattern is broadly consistent with the industry shares from 2020. At the QOZB level, as seen in Table 9, the concentration in real estate is even more apparent as 77 percent of QOF investment in QOZBs was in real estate, another six percent was in the finance and insurance sector, and three percent was in accommodation and food services (which includes hotels). Again, Table 9 shows a similar pattern occurred in 2020.

Table 10 shows the share of OZs and QOZ property by different types of tracts. Rural tracts, using our new definition of rural described in Section 3, comprise approximately 38 percent of OZs, but only account for just over 16 percent of QOZ property in 2024, an increase from the almost 13 percent share in 2020. This indicates that while rural tracts were well represented in terms of the share of tracts designated, such tracts did not receive as much investment per tract as non-rural tracts. Note that this was not because rural OZs were less likely to receive investment—in fact, the same share of rural OZs received investment as the overall share of OZs that received investment (77 percent). However, the average rural OZ receiving investment received only \$7.3 million of QOZ property, while the average nonrural OZ receiving investment received \$23.3 million of QOZ property.

In contrast, contiguous tracts comprise a little over 2 percent of OZs but received nearly 6 percent of QOZ property through 2024. Tracts that were part of a federal Empowerment Zone also received just over 6 percent of QOZ property in 2024 compared to making up only 4.5 percent of OZs.

In addition to documenting which OZs attracted investment, we can also examine the level of that investment based on taxpayer reporting. Figure 1 shows that just over 1,800 tracts (23 percent) received no investment through TY 2024. About 2,700 OZs received some but less than \$1 million in investment (about 34 percent of OZs). Another 18 percent of OZs received between \$1 million and \$5 million in QOZ investment through TY 2024. About 6 percent of OZs received between \$5 million and \$10 million, while 12 percent received between \$10 million and \$50 million. Finally, the remaining 6 percent received greater than \$50 million.

In addition to the increase in total investment in QOFs from 2020 through 2024, the percentage of OZs receiving investment increased from 48 percent in 2020 (Coyne and Johnson, 2023) to 77 percent in 2024 as shown in Table 11. The states with the largest share of OZs receiving qualified investment include Arkansas, DC, Hawaii, Mississippi, and Colorado. The states with the lowest share of OZs receiving investment include Illinois, Alabama, Iowa, Wisconsin, and North Dakota.

Utah remains one of the most popular destinations for OZ investment. Utah (nearly \$115 million per OZ) is the only state which received more than \$100 million per OZ, with the next highest being DC with \$62 million per OZ (see Table 11). Based on population counts from the 2013-2017 5-year ACS, DC received \$2,320 per capita in QOZ investment to lead the field. Utah was second at \$1,764 per capita in QOZ investment, more than double the next highest state, Tennessee, with \$832 per capita. Rounding out the top five states are Arizona (\$827) and Nevada (\$672). Colorado (\$585), Montana (\$418), and Wyoming (\$394) are among the next six states, consistent with relatively high QOZ investment intensity in the Mountain West region. In fact, of the Mountain West states, only Idaho (\$121) was not in the top half of states. Only four states, primarily in the Midwest, had less than \$100 per capita in QOZ investment—Kansas (\$83), Illinois (\$35), West Virginia (\$33), and Iowa (\$26).

Puerto Rico is included as a row in Table 11, but not included in the national totals and averages provided in Table 11. In general, Puerto Rico and other territories are not included in the summary lines provided in Tables 1, 2, and 10-20 or Figures 1 and 4-6. This is similar to the reporting convention in Coyne and Johnson (2023). We omit these tracts because the territories and the states substantially differ in the share of tracts within the jurisdiction that were designated as an OZ. For example, over 90 percent of tracts in Puerto Rico were designated as OZs, but only seven percent of OZs received investment, a much smaller share than most states and even the state with the lowest share. Nevertheless, when possible, a breakdown of QOZ property in Puerto Rico is provided as its own line in Tables 11, 12, and 17.

Investment patterns varied substantially across states. Interestingly, despite Arkansas tying for the largest share of OZs with investment, its average OZ with investment only received about \$9 million, which is relatively low among all states. In comparison, in Alabama, one of the states with the lowest share of OZs with investment, an average OZ with investment has received over \$23 million.

One potential explanation for this difference is that investors in some states focused on rural areas, where development costs may be lower than in other areas. For example, the entirety of DC is within an urban area, and its average OZ with investment received nearly \$65 million. On the other hand, 65 percent of OZs in Arkansas are in a rural area, and 95 percent of those tracts received an average of \$3.9 million in investment (see Table 12). Only California, Hawaii, Mississippi, Nevada, Puerto Rico, and Wyoming had rural OZs receive more investment on average than non-rural OZs.¹³ In particular, Nevada received the highest amount of QOZ property per rural OZ with investment at nearly \$70 million per zone. The next highest was Tennessee at \$28 million per zone.

¹³ Note that there are no non-rural OZs in Vermont and West Virginia, so technically they could also be on this list, though the comparison is not meaningful given the lack of non-rural OZs.

In terms of rural investment itself, nearly half of all rural QOZ property investment is concentrated in just five states—Tennessee, Texas, California, Georgia, and South Carolina. While other large states like Florida and New York only have 5-6 percent of their QOZ property located in rural areas, Georgia has nearly half of its QOZ property in rural zones. Tennessee similarly has nearly 40 percent of its QOZ property in rural zones. Texas and California both have less than a quarter of their investment in rural areas despite accounting for a large share of the national rural QOZ property.

We further analyze the geographic distribution of QOZ property by metropolitan and nonmetropolitan area. Metropolitan areas are defined based on county boundaries by the Office of Management and Budget (OMB), while nonmetropolitan areas are then constructed based on remaining counties within a state by the Bureau of Labor Statistics for use in the Occupational Employment and Wage Statistics survey.¹⁴ Unlike nonmetropolitan areas, metropolitan areas can span across states, reflecting the interconnected local economy in those areas. For example, the Washington, DC metropolitan area includes counties from the District of Columbia, Maryland, Virginia, and West Virginia. It is also important to note that there are differences in how nonmetropolitan areas and rural areas for the purpose of the OZ tax incentive are defined, as it is possible for a rural OZ to be in a metropolitan area.

Figure 2 shows the relative levels of QOZ property by metropolitan and nonmetropolitan area.¹⁵ The map shows that QOZ property is dispersed throughout the country, with hotspots around major U.S. cities that have received over \$1.5 billion of QOZ investment. Note that areas that appear gray due to insufficient data do not necessarily have \$0 or a low value of QOZ property. Instead, they have a relatively small number of QOF investors and their investment values are censored to protect taxpayer privacy.

Figure 3 scales the investment totals by the size of the population of the metropolitan and nonmetropolitan areas, highlighting areas that attracted the most qualifying investment per capita. Some of the areas with the highest investment in Figure 2 remain among the top areas in Figure 3, e.g. Salt Lake City, UT, Reno, NV, and Nashville, TN. However, there are some interesting investment patterns that were masked by the high population totals of major cities. For example, the per capita investment map reveals that other Mountain West cities, including Bozeman, MT and Boulder, CO have attracted a lot of capital investment relative to the size of

¹⁴ The delineations of metropolitan areas used in this analysis are available in OMB Bulletin No. 23-01 found at <https://www.bls.gov/bls/omb-bulletin-23-01-revised-delineations-of-metropolitan-statistical-areas.pdf>. A full list of area definitions, including nonmetropolitan areas, can be found at https://www.bls.gov/oes/2025/may/msa_def.htm. We match 2017 census tracts to 2025 MSAs using the crosswalk provided by Schroeder, et al (2025).

¹⁵ Figures 2 and 3 include state boundaries, but areas are not redefined to be state-specific for analysis. Rather, these boundaries are included only to facilitate identifying states.

their population. This could suggest that investors have strong expectations about continued economic and population growth of those smaller but growing metropolitan areas. Figure 3 also shows strong investment per capita in parts of the South, specifically around Huntsville, AL, Auburn, AL, Hilton Head, SC, and even the nonmetropolitan areas in southwestern Mississippi and southern Georgia.

Tables 13 through 16 provide a comparison of the summary statistics for various socioeconomic characteristics for OZs that have received investment through TY 2024 and those that have not. Patterns for which OZs received investment are similar to those documented in Coyne and Johnson (2023). OZs with markers of less economic distress as reported in Table 13—higher median house values and populations with higher education attainment, higher median income, lower poverty rates, and lower unemployment rates were more likely to receive investment. The primary exception to this pattern is that OZs with lower homeownership rates were also more likely to receive qualifying investment. Similar patterns emerge, but generally with a larger difference, when the OZs with qualifying investment are weighted by the share of qualifying investment received, as shown in Table 14.

However, as noted by Freedman et al. (2021), Corinth et al. (2026), and others, two tracts with similar static measures of economic distress may be on different trajectories and it is useful to consider the change over time when looking at the relative attractiveness of different tracts for investment. Table 15 indicates that OZs that experienced higher growth in income and housing values and faster declines in the poverty rate and unemployment rate in the years leading up to OZ designation were more likely to receive qualifying investment.

For the final comparison between OZs that have and have not received qualifying investment through TY 2024, Table 16 indicates the national percentile rank of the average OZ tract receiving investment (weighted by QOZ Property Investment) compared to the average OZ tract without qualifying investment. OZs that receive investment have notable differences from OZs that have not received investment. For the share of the population with at least a Bachelor's degree, the percentile rank of OZs with investment is 56 (higher than the median) relative to 26 for OZs with no investment. Similarly, the median housing value percentile rank is 63 for OZs with qualifying investment and 34 without. For other indicators, the differences were not quite as stark, such as moving from the 17th to the 28th percentile of median household income when going from OZs without investment to those that do. Consistent with the previous tables, OZs with investment tend to rank higher for median house value and their population's educational attainment, income, and employment relative to OZs without investment.

Next, we examine the distribution of qualifying investment across OZs receiving qualifying investment based on select characteristics. Figure 4 shows the share of QOZ property located in each decile of OZ ranked by median household income. OZs in decile 1 have the

lowest income of all OZs, while OZs in decile 10 are in the top 10 percent of all OZs in terms of income. Consistent with previous results, there is concentration of investment in higher income tracts, with the top two deciles accounting for 35.1 percent of the total. However, we observe a rough “U” shape pattern, with the poorest and richest tracts attracting the highest share of capital. This may reflect two different channels for investment under the OZ incentive—on the one hand, some investment may be directed toward the neediest OZs (such as those in decile 1) with community development potential. On the other hand, the incentive is designed such that other investment may seek the highest return on capital in relatively better-off OZs (such as those in deciles 9 and 10), which may also have characteristics associated with stronger expected returns.

Table 17 breaks this down by state OZ income quintiles.¹⁶ Nationally, we see that the first quintile received about 17 percent of QOZ property, which is slightly lower than we would expect if investment were distributed evenly. On the other hand, the highest quintile received 35 percent of QOZ property, nearly double what we would expect with an even distribution. Not all states follow this same pattern, however, and the differences likely reflect both individual states’ designation processes (which tracts governors nominated), and the relative distribution of growth opportunities within the state. For example, DC had 72 percent of their investment in the first quintile, reflecting a high concentration of investment into its poorest areas. North Dakota, South Carolina, and West Virginia share a similar pattern. On the other hand, Connecticut, Hawaii, Idaho, Montana, and Utah had over 65 percent of their investment go to the highest quintile in their states. Delaware (80 percent) and Texas (76 percent) had a very high share of their investment go to the top 40 percent of their OZs by income.

Looking at investment by national OZ poverty rate deciles (Figure 5) shows a weaker pattern but still suggests that a higher share of investment goes to relatively better-off OZs. All of the three most well-off deciles have a higher than equal share of investment (10 percent), while only one of the bottom seven deciles exceeds that equal share. The OZs in the two deciles with the highest poverty rates receive the two lowest shares of investment.

We also check investment against the economic distress index developed by Gelfond and Looney (2018) in Figure 6. This measure shows a strong negative relationship between distress and investment received. The tracts in the first decile are those with the highest economic distress, while those in the tenth decile have the lowest economic distress. We see that those bottom deciles have investment shares well below the equal share line, while OZs in the top decile receive more than double their equal share. This suggests that the most distressed areas received a smaller share of QOZ property investment.

¹⁶ For taxpayer confidentiality reasons, we are only able to break down states to income quintiles instead of deciles. Some states are further censored to protect taxpayer privacy.

Table 18 splits the OZs with qualifying investment into quintiles ranked by the level of qualifying investment. While some familiar patterns emerge, with the level of qualifying investment generally increasing for OZs with higher house values and populations with higher educational attainment and income, the difference is most noticeable between the bottom four quintiles and the top quintile. For example, across the bottom four investment quintiles, the average tract median household income is roughly \$36,000, compared with nearly \$40,000 in the top quintile. For the bottom three quintiles, the average level of investment in an OZ is fairly small, ranging from \$158 thousand to \$1.4 million. However, investment jumps up to \$6.5 million in the fourth quintile and to \$78 million in the top quintile. This indicates that the level of investment in OZs is quite skewed, with the top 20 percent of OZs accounting for about 90 percent of the total qualifying investment.

5. Looking Ahead to Future Rounds of OZs

The OBBBA, signed into law on July 4, 2025, made several changes to the OZ tax incentive. First, it makes the OZ incentive permanent, creating rolling 10-year rounds of OZ designation. The original round of OZs designated in 2018, hereafter referred to as OZ 1.0, are set to expire on December 31, 2028. However, states will nominate new tracts for a second round of OZ designation (OZ 2.0) beginning July 1, 2026. Nominations that result in a designation will have a 10-year designation period lasting from January 1, 2027 through December 31, 2036. Nominations for subsequent rounds will begin on July 1 of the year of expiration of the previous round (e.g., July 1, 2036 for a third round), with similar 10-year designation periods, beginning on January 1 of the following calendar year.

Second, the OBBBA tightened the eligibility criteria for population census tracts to be defined as LICs and eligible for designation as OZs. Eligible LICs must now have a median family income no greater than 70% of the applicable area median (down from 80% under OZ 1.0). In addition, tracts with a poverty rate of at least 20 percent, but with a median family income that exceeds 125 percent of the applicable area median are not eligible LICs under OZ 2.0. Similarly, whereas states and territories were allowed to nominate both LICs and non-low-income contiguous tracts meeting certain conditions for OZ designation under OZ 1.0, contiguous tracts will no longer be OZ-eligible under OZ 2.0 and beyond. These changes narrow eligibility toward lower-income tracts.

Third, the OBBBA changes the deferral structure for deferred capital gains invested in a QOF. Under OZ 1.0, deferred capital gains invested into a QOF were eligible for a 10-percent step-up in basis if the deferred gain had been held in the QOF for at least 5 years at the time of inclusion, which could be no later than December 31, 2026.¹⁷ The deferred gain was eligible for

¹⁷ The inclusion event is either at the time of disposition from the QOF, or December 31, 2026, whichever comes earlier.

an additional 5-percent step-up in basis if the deferred gain had been held in a QOF for at least 7 years at the time of inclusion.¹⁸ In effect, taxpayers may exclude 10 (15) percent of the deferred gain on the date of inclusion if held for at least 5 (7) years. For deferred gains invested after December 31, 2026, there is no fixed inclusion date for the deferred gains, reflecting the permanence intended by the OBBBA. Rather, the inclusion date is 5 years after the date of the investment in the QOF, unless the investment is disposed of earlier. Taxpayers will continue to receive a 10-percent step-up in basis for deferred gains held in a QOF for at least 5 years, regardless of the date they were deferred. There is no longer an additional basis adjustment available after 7 years.

Fourth, the OBBBA modified the 10-year exclusion incentive. For both OZ 1.0 and OZ 2.0, if the QOF investment is held for at least 10 years, then gain from that investment may be excluded from income through a step-up in basis to the fair market value when sold. If the QOF investment has not been disposed of after 30 years from the date of investment, then the OBBBA provides for a step-up in basis to the fair market value of the investment on that date for qualifying QOF investments made after December 31, 2026. Under prior law and regulations, the 10-year exclusion was only available if the taxpayer disposed of the QOF investment no later than December 31, 2047.

Fifth, the OBBBA introduces a new type of OZ—rural OZs. Rural OZs are those which do not overlap an urban area. Urban areas are cities and towns with a population of more than 50,000 or any urban area contiguous and adjacent to such a city or town as defined by the Census.¹⁹ Investments in rural OZs are eligible for a 30 percent basis increase after 5 years, as opposed to the 10 percent basis increase for non-rural OZs. Investments in rural OZs also receive beneficial substantial improvement rules, with investors only needing to improve existing property by 50 percent in rural OZs relative to 100 percent for existing property in non-rural OZs.

Finally, the OBBBA introduces new reporting requirements for QOFs and QOZBs. Namely, they must report some additional information not previously required, such as average monthly full-time equivalent (FTE) employees and information on residential units. The OBBBA also introduces new penalties for failure to file a complete and correct return. In addition, the OBBBA prescribes that Treasury will produce annual and semi-decennial reports characterizing these data to describe the use of the OZ tax incentive. These reports will be subject to taxpayer privacy rules, which also govern the reporting of data in this paper.

¹⁸ Due to the fixed inclusion date on December 31, 2026, gains needed to be invested by December 31, 2021 or December 31, 2019 to reach the 5- or 7-year thresholds.

¹⁹ See <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

In April 2026, the IRS released a safe harbor list of census tracts eligible for designation for OZ 2.0.²⁰ Similar to OZ 1.0, tracts eligible for designation for OZ 2.0 have populations with higher poverty and unemployment rates, lower income, less educational attainment, and lower rates of homeownership, while also exhibiting lower housing prices, and higher housing vacancy rates compared to ineligible tracts (compare Tables 19 and 20). The changes in tract eligibility yielded fewer total eligible tracts than in the original round. Table 20 shows that 24,620 non-territory tracts meet the eligibility criteria set forth in the OBBBA, or 29 percent of all non-territory tracts. This compares to 42 percent of all non-territory tracts for the first round of OZs in 2018 that were eligible as a LIC, and 56 percent once contiguous tracts were included. Table 20 also indicates that eligible rural LICs are quite different from eligible LICs more generally. In particular, rural LICs have a higher homeownership rate, higher housing vacancy, and lower home values, while the population in rural LICs tends to be older, have lower educational attainment, and be less attached to the labor market than that in non-rural LICs.

6. Conclusion

Use of the OZ tax incentive continued to expand through TY 2024, as investors sought beneficial tax treatment for existing capital gains. Total investment in OZs grew rapidly between the program's inception in TY 2018 and TY 2024 and, by the end of TY 2024, had reached over three-quarters of designated tracts. Despite the broader reach, investment has remained highly concentrated, disproportionately flowing into tracts with stronger pre-existing economic indicators and pre-existing growth trends. These patterns provide an important benchmark for assessing whether OBBBA's revised eligibility and rural incentives change the distribution of OZ investment in future designation rounds. Policymakers, researchers, and community stakeholders alike will continue to closely monitor OZ investment performance, and this monitoring will likely become easier with the mandated reporting structure for new rounds of OZs.

²⁰ See IRS Revenue Procedure 2026-14 described at <https://www.irs.gov/pub/irs-irbs/irb26-20.pdf>.

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Table 1. Opportunity Zone (OZ) Eligibility and Designation Status of Census Tracts by State

State	Total Census Tracts	Total Eligible Tracts	Eligible LIC* Tracts	Eligible Contiguous Tracts	Total Designated OZs	Designated LIC OZs	Contiguous Designated OZs
Alabama	1,181	835	630	205	158	153	5
Alaska	167	68	57	11	25	25	0
Arizona	1,526	870	673	197	168	160	8
Arkansas	686	520	340	180	85	83	2
California	8,057	4,343	3,520	823	879	871	8
Colorado	1,249	657	504	153	126	119	7
Connecticut	833	344	286	58	72	71	1
Delaware	218	118	80	38	25	24	1
Dist. of Columbia	179	116	97	19	25	25	0
Florida	4,245	2,356	1,706	650	427	427	0
Georgia	1,969	1,339	1,039	300	260	260	0
Hawaii	351	132	99	33	25	23	2
Idaho	298	192	109	83	28	26	2
Illinois	3,123	1,659	1,306	353	327	327	0
Indiana	1,511	817	621	196	156	153	3
Iowa	825	410	247	163	62	61	1
Kansas	770	420	295	125	74	70	4
Kentucky	1,115	768	573	195	144	139	5
Louisiana	1,148	785	597	188	150	145	5
Maine	358	214	128	86	32	30	2
Maryland	1,406	743	593	150	149	145	4
Massachusetts	1,478	677	555	122	138	137	1
Michigan	2,813	1,528	1,152	376	288	283	5
Minnesota	1,338	744	509	235	128	127	1
Mississippi	664	535	401	134	100	95	5
Missouri	1,393	883	641	242	161	153	8
Montana	271	162	90	72	25	25	0
Nebraska	532	273	178	95	44	43	1
Nevada	687	331	243	88	61	60	1
New Hampshire	295	151	105	46	27	27	0
New Jersey	2,010	835	679	156	169	169	0
New Mexico	499	338	249	89	63	59	4
New York	4,918	2,641	2,055	586	514	497	17
North Carolina	2,195	1,414	1,007	407	252	241	11
North Dakota	205	84	52	32	25	25	0
Ohio	2,952	1,647	1,282	365	320	317	3
Oklahoma	1,046	651	467	184	117	114	3
Oregon	834	513	344	169	86	81	5
Pennsylvania	3,218	1,640	1,197	443	300	289	11
Puerto Rico	945	863	837	26	863	837	26
Rhode Island	244	97	79	18	25	25	0
South Carolina	1,103	741	538	203	135	128	7
South Dakota	222	112	69	43	25	23	2
Tennessee	1,497	986	709	277	176	170	6
Texas	5,265	3,131	2,510	621	628	628	0
Utah	588	283	181	102	46	46	0
Vermont	184	89	49	40	25	23	2
Virginia	1,907	1,071	853	218	212	207	5
Washington	1,458	780	555	225	139	132	7
West Virginia	484	385	220	165	55	52	3
Wisconsin	1,409	734	479	255	120	120	0
Wyoming	132	56	33	23	25	24	1
Total (50 states + DC)	73,056	41,218	30,981	10,237	7,826	7,657	169

*LIC represents a low-income community tract, Source: CDFI Fund, U.S. Department of the Treasury

Table 2. Percent Share of Census Tracts Eligible by Type and Designation Status by State, States Ranked According to Share of Total Tracts Low-Income Communities (LIC)

State	Share of total tracts that are eligible as a LIC	Share of total tracts that are eligible as a contiguous tract	Share of total tracts that are designated OZs	Share of OZs that are a contiguous tract	Share of total tracts that are rural	Share of designated tracts that are rural
Alabama	53	17	13	3	52	47
Alaska	34	7	15	0	65	72
Arizona	44	13	11	5	18	28
Arkansas	50	26	12	2	65	69
California	44	10	11	1	11	15
Colorado	40	12	10	6	23	49
Connecticut	34	7	9	1	18	15
Delaware	37	17	11	4	44	40
Dist. of Columbia	54	11	14	0	0	0
Florida	40	15	10	0	19	23
Georgia	53	15	13	0	40	52
Hawaii	28	9	7	8	49	48
Idaho	37	28	9	7	48	79
Illinois	42	11	10	0	24	26
Indiana	41	13	10	2	40	31
Iowa	30	20	8	2	59	65
Kansas	38	16	10	5	48	62
Kentucky	51	17	13	3	61	74
Louisiana	52	16	13	3	46	47
Maine	36	24	9	6	87	91
Maryland	42	11	11	3	29	32
Massachusetts	38	8	9	1	20	31
Michigan	41	13	10	2	40	38
Minnesota	38	18	10	1	43	52
Mississippi	60	20	15	5	73	77
Missouri	46	17	12	5	42	39
Montana	33	27	9	0	70	84
Nebraska	33	18	8	2	46	41
Nevada	35	13	9	2	14	11
New Hampshire	36	16	9	0	63	81
New Jersey	34	8	8	0	14	9
New Mexico	50	18	13	6	52	59
New York	42	12	10	3	22	20
North Carolina	46	19	11	4	46	55
North Dakota	25	16	12	0	69	56
Ohio	43	12	11	1	34	29
Oklahoma	45	18	11	3	46	56
Oregon	41	20	10	6	40	43
Pennsylvania	37	14	9	4	36	25
Puerto Rico	89	3	91	3	32	30
Rhode Island	32	7	10	0	11	12
South Carolina	49	18	12	5	60	70
South Dakota	31	19	11	8	72	72
Tennessee	47	19	12	3	44	49
Texas	48	12	12	0	24	46
Utah	31	17	8	0	20	30
Vermont	27	22	14	8	100	100
Virginia	45	11	11	2	35	45
Washington	38	15	10	5	32	49
West Virginia	45	34	11	5	100	100
Wisconsin	34	18	9	0	47	38
Wyoming	25	17	19	4	71	76
Total (50 States + DC)	42	14	11	2	33	38

Table 3. Form 8996, Qualified Opportunity Fund (QOF), Selected Items for Tax Years 2018-2024*

	2018	2019	2020	2021	2022	2023	2024
Number of QOFs	1,300	5,900	7,900	10,800	12,100	12,700	12,800
Qualified Opportunity Zone Property (\$ billions)	4	28	44	66	91	105	112
Total Assets (\$ billions)	4	30	48	73	94	109	116

*Counts and amounts are rounded totals for tax returns available as 4/30/2026. Paper returns that have not yet been transcribed are not included in these totals.

Table 4. Form 8997 Electronically Filed Returns, Deferred Gains Held in Qualified Opportunity Funds (QOF) at End of Tax Year for Tax Years 2019-2024*

	2019	2020	2021	2022	2023	2024
Number of Taxpayers (thousands)	19	25	38	40	41	41
Deferred Gains (\$ billions)	28	39	58	67	71	75

*Counts and amounts are rounded totals for tax returns available as 4/30/2026. Paper returns that have not yet been transcribed are not included in these totals.

Table 5. Form 8997 Electronically Filed Returns, Total Taxpayer Reported Current Year Deferrals and Dispositions by Tax Year, 2018-2024

	2018*	2019	2020	2021	2022	2023	2024
Current Year Deferred Gains (\$ billions)		18.5	14.5	21.2	13.9	8.9	7.7
Dispositions of QOF Interest (\$ billions)		0.3	0.8	1.6	2.5	3.8	2.8
Net Total (\$ billions)	4.8	18.2	13.7	19.6	11.4	5.1	4.8

*The total net deferrals for 2018 are implied based on the beginning of year totals reported for Tax Year 2019, as Form 8997 was not collected for Tax Year 2018.

Table 6. Form 8997 Electronically Filed Returns, Qualified Investment in Qualified Opportunity Funds, by Investor Type, Tax Years 2020 and 2024

Return type	2020		2024	
	Number of returns (thousands)	Deferred Gains (\$ billions)	Number of returns (thousands)	Deferred Gains (\$ billions)
Entity*	4	15	6	28
Individuals	22	24	35	47
Total	25	39	41	75

*Includes corporations, partnerships, estates and trusts

Table 7. Form 8996, Share of Qualified Opportunity Fund (QOF) Returns and Assets by Entity Type, Tax Years 2020 vs 2024 (Percent)

Return Type	Share of QOFs	Share of Qualified Opportunity Zone Property	Share of Total Assets
2020			
Form 1065 Partnerships	94	88	89
Form 1120 Corporations*	2	11	11
Form 1120-S S-Corporations	4	1	1
2024			
Form 1065 Partnerships	94	91	90
Form 1120 Corporations*	1	8	9
Form 1120-S S-Corporations	4	1	1

*This includes all 1120 form types including 1120-F and 1120-REIT, except 1120-S

Table 8. Qualified Opportunity Fund (QOF), Major Sector Share of Qualified Opportunity Zone Property, Tax Years 2020 and 2024

Sector	Share (percent)
2020	
Real estate and rental and leasing	59
Finance and insurance	24
Management of companies and enterprises	11
Other	5
2024	
Real estate and rental and leasing	58
Finance and insurance	29
Management of companies and enterprises	8
Other	5

**Table 9. Qualified Opportunity Zone Business (QOZB),
Major Sector Share of Qualified Opportunity Zone
Property, Tax Years 2020 and 2024**

Sector	Share (percent)
2020	
Real estate and rental and leasing	75
Accommodation and food services	4
Finance and insurance	4
Other	17
2024	
Real estate and rental and leasing	77
Finance and insurance	6
Accommodation and food services	3
Other	14

**Table 10. Percent Share of Opportunity Zones (OZs) and Qualified Opportunity Zone
Property, by Type of Tract, Tax Years 2020 and 2024***

	Share of OZs	Share of Qualified Opportunity Zone Property, 2020	Share of Qualified Opportunity Zone Property, 2024
Rural	37.9	12.6	16.1
Contiguous	2.1	5.3	5.7
Located in Empowerment Zone	4.5	6.6	6.3

*Columns will not sum to 100 percent as the categories are not mutually exclusive. Does not include OZs in territories.

Table 11. Qualified Opportunity Zone (QOZ) Property, Percent Share of Opportunity Zones (OZs) with QOZ Property, QOZ Property Per OZ, QOZ Property Per OZ with QOZ Property, by State in 2024

State	QOZ Property in 2024 (\$M)	Percent Share of OZs with QOZ Property in 2024	QOZ Property Per OZ in 2024 (\$M)	QOZ Property Per OZ with QOZ Property in 2024 (\$M)
Alabama	1,590	43	10.0	23.3
Alaska	90	84	3.7	4.4
Arizona	5,630	91	33.5	36.8
Arkansas	730	96	8.6	8.9
California	12,020	80	13.7	17.2
Colorado	3,180	94	25.2	27.0
Connecticut	1,040	83	14.4	17.3
Delaware	220	68	8.7	12.8
District of Columbia	1,560	96	62.2	64.8
Florida	8,760	82	20.5	25.1
Georgia	3,490	82	13.4	16.3
Hawaii	310	96	12.5	13.0
Idaho	200	82	7.1	8.6
Illinois	450	23	1.4	6.0
Indiana	1,770	79	11.3	14.3
Iowa	80	58	1.3	2.3
Kansas	240	78	3.3	4.2
Kentucky	550	85	3.8	4.5
Louisiana	610	73	4.1	5.5
Maine	290	72	9.0	12.5
Maryland	1,810	71	12.1	17.0
Massachusetts	1,160	76	8.4	11.1
Michigan	3,190	80	11.1	13.8
Minnesota	910	76	7.1	9.3
Mississippi	550	96	5.5	5.8
Missouri	1,440	83	8.9	10.8
Montana	430	84	17.1	20.3
Nebraska	600	77	13.6	17.6
Nevada	1,940	82	31.8	38.9
New Hampshire	170	81	6.3	7.7
New Jersey	3,140	78	18.6	24.0
New Mexico	620	79	9.8	12.3
New York	8,230	76	16.0	21.1
North Carolina	3,440	86	13.7	15.9
North Dakota	80	68	3.0	4.4
Ohio	3,070	73	9.6	13.1
Oklahoma	440	79	3.7	4.7
Oregon	1,680	93	19.5	21.0
Pennsylvania	2,000	69	6.7	9.6
Puerto Rico	570	7	0.7	10.0
Rhode Island	230	84	9.0	10.7
South Carolina	1,760	88	13.0	14.8
South Dakota	230	92	9.2	10.0
Tennessee	5,490	86	31.2	36.4
Texas	7,840	79	12.5	15.9
Utah	5,280	89	114.9	128.9
Vermont	190	80	7.7	9.6
Virginia	1,900	81	9.0	11.1
Washington	2,570	86	18.5	21.4
West Virginia	60	80	1.2	1.5
Wisconsin	740	63	6.2	9.7
Wyoming	230	72	9.0	12.6
Total (50 States + DC)	104,200	77	13.3	17.3

Notes: Amounts are rounded to the nearest \$10 million for statewide totals, and nearest \$0.1 million for per-OZ totals. Amounts in the table reflect only QOZ Property investment for which location information was reported on Form 8996. The sum of states' investment reported in the 'Total' row does not equal the national total investment reported elsewhere in this paper (\$112 billion) due to incomplete reporting of investment location and omitting territories.

Table 12. Qualified Opportunity Zone (QOZ) Property in Rural Areas, by State in 2024

State	QOZ Property in Rural OZs in 2024 (\$M)	Percent Share of Rural OZs with QOZ Property in 2024	QOZ Property Per Rural OZ in 2024 (\$M)	QOZ Property Per Rural OZ with QOZ Property in 2024 (\$M)
Alabama	120	31	1.7	5.3
Alaska	40	78	2.0	2.5
Arizona	220	87	4.6	5.3
Arkansas	220	95	3.7	3.9
California	1,860	80	14.4	18.1
Colorado	420	95	6.8	7.1
Connecticut	40	91	3.9	4.2
Delaware	60	80	5.8	7.2
District of Columbia	-	-	-	-
Florida	530	82	5.4	6.6
Georgia	1,710	88	12.7	14.4
Hawaii	260	92	21.9	23.9
Idaho	80	77	3.7	4.8
Illinois	*	6	*	*
Indiana	180	78	3.8	4.9
Iowa	10	48	0.3	0.7
Kansas	30	80	0.6	0.7
Kentucky	150	86	1.4	1.6
Louisiana	140	60	2.1	3.4
Maine	80	69	2.6	3.8
Maryland	240	74	5.1	6.8
Massachusetts	90	72	2.0	2.8
Michigan	420	92	3.9	4.2
Minnesota	160	76	2.5	3.2
Mississippi	460	97	6.0	6.1
Missouri	140	86	2.2	2.6
Montana	70	81	3.5	4.3
Nebraska	70	72	4.1	5.6
Nevada	420	86	59.8	69.8
New Hampshire	130	82	5.8	7.0
New Jersey	180	62	11.2	17.9
New Mexico	170	81	4.7	5.8
New York	410	71	3.9	5.4
North Carolina	560	86	4.1	4.8
North Dakota	10	57	0.7	1.2
Ohio	430	72	4.6	6.4
Oklahoma	140	80	2.2	2.7
Oregon	230	86	6.3	7.3
Pennsylvania	140	67	1.9	2.8
Puerto Rico	330	9	1.3	14.4
Rhode Island	*	67	*	*
South Carolina	570	88	6.0	6.8
South Dakota	80	94	4.2	4.4
Tennessee	2,180	89	25.0	28.3
Texas	1,940	75	6.7	9.0
Utah	250	79	17.9	22.7
Vermont	190	80	7.7	9.6
Virginia	270	83	2.8	3.4
Washington	250	85	3.7	4.3
West Virginia	60	80	1.2	1.5
Wisconsin	110	60	2.5	4.1
Wyoming	180	68	9.5	13.9
Total (50 States + DC)	16,760	77	5.6	7.3

Notes: Amounts are rounded to the nearest \$10 million for statewide totals, and nearest \$0.1 million for per-OZ totals.

Amounts in the table reflect only QOZ Property investment for which location information was reported on Form 8996. Values marked with “*” are censored due to insufficient observations.

Table 13. Socioeconomic Characteristics of Opportunity Zones (OZs) Receiving Qualified Opportunity Zone (QOZ) Property Investment and OZs with No QOZ Property Investment through 2024, Means of Select Characteristics from 2013-2017 American Community Survey

	OZs with QOZ Property Investment	OZs with No QOZ Property Investment
Percent of Population:		
White	59	53
Black	25	33
Hispanic	23	21
With At Least a Bachelor's Degree	18	15
Homeowner	44	47
Average Median Household Income	\$36,916	\$34,860
Average Poverty Rate	28	30
Average Unemployment Rate	11	13
Average Median House Value	\$156,804	\$127,216

Table 14. Socioeconomic Characteristics of Opportunity Zones (OZs) Receiving Qualified Opportunity Zone (QOZ) Property Investment through 2024 (Weighted by QOZ Property Investment Share) and OZs with No QOZ Property Investment, Means of Select Characteristics from 2013-2017 American Community Survey

	OZs with QOZ Property Investment	OZs with No QOZ Property Investment
Percent of Population:		
White	57	53
Black	24	33
Hispanic	26	21
With At Least a Bachelor's Degree	27	15
Homeowner	34	47
Average Median Household Income	\$41,730	\$34,860
Average Poverty Rate	27	30
Average Unemployment Rate	9	13
Average Median House Value	\$220,890	\$127,216

Table 15. Socioeconomic Characteristics of Opportunity Zones (OZs) Receiving Qualified Opportunity Zone (QOZ) Property Investment and OZs with No QOZ Property Investment through 2024, Comparison of Trends for Select Characteristics between 2008-2012 American Community Survey (ACS) and 2013-2017 ACS

	OZs with QOZ Property Investment	OZs with No QOZ Property Investment
Percent of Population:		
White (pp)	-0.1	-0.6
Black (pp)	-0.6	-0.3
Hispanic (pp)	1.0	1.1
With At Least a Bachelor's Degree (pp)	1.9	1.4
Homeowner (pp)	-1.8	-2.0
Average Median Household Income (%)	11.4	8.8
Average Poverty Rate (pp)	-0.5	0.1
Average Unemployment Rate (pp)	-3.6	-3.0
Average Median House Value (%)	7.4	2.7

Table 16. National Percentile Rank of Average Opportunity Zone (OZ) Receiving Qualified Opportunity Zone (QOZ) Property Investment through 2024 (Weighted by QOZ Property Investment) and Average OZ with No QOZ Property Investment for Selected Socioeconomic Characteristics from 2013-2017 American Community Survey

	OZs with QOZ Property Investment (percentile rank)	OZs with No QOZ Property Investment (percentile rank)
Percent of Population:		
White	23	21
Black	82	87
Hispanic	80	76
With At Least a Bachelor's Degree	56	26
Homeowner	14	24
Average Median Household Income	28	17
Average Poverty Rate	85	88
Average Unemployment Rate	78	89
Average Median House Value	63	34

Table 17. Percent Share of Qualified Opportunity Zone (QOZ) Property Located in State Opportunity Zone (OZ) Quintiles through 2024, Ranked by Median Household Income

State	Median Household Income Quintile				
	1	2	3	4	5
Alabama	27	5	10	18	40
Alaska*	10		56	34	
Arizona	33	5	11	9	42
Arkansas	30	25	17	7	21
California	15	16	15	31	23
Colorado	21	27	14	9	29
Connecticut	10	9	1	9	69
Delaware*	12		8	80	
District of Columbia	72	6	4	3	15
Florida	22	13	17	16	33
Georgia	16	26	13	31	14
Hawaii*	9	6	8		77
Idaho*	10	9	9		72
Illinois	30	15	21	14	20
Indiana	23	11	6	19	42
Iowa*	34	32		15	19
Kansas	29	48	1	14	8
Kentucky	38	7	17	18	19
Louisiana	17	5	17	8	54
Maine*	66		3		30
Maryland	7	18	11	25	38
Massachusetts	17	22	8	22	31
Michigan	9	10	12	22	46
Minnesota	23	14	17	4	42
Mississippi	9	6	42	9	33
Missouri	4	10	22	18	46
Montana*	4	12	5		79
Nebraska	6	4	30	14	46
Nevada	18	22	28	8	24
New Hampshire*	39	20		10	31
New Jersey	16	13	17	14	40
New Mexico	20	7	5	37	30
New York	8	9	16	19	48
North Carolina	26	24	9	6	35
North Dakota*	63	21		16	
Ohio	21	13	7	16	44
Oklahoma	12	30	28	21	9
Oregon	35	13	28	13	11
Pennsylvania	13	15	12	15	45
Puerto Rico*	7		35	21	37
Rhode Island*	35	42		23	
South Carolina	56	8	4	23	8
South Dakota*	22	9	16	53	
Tennessee	23	13	17	40	8
Texas	7	9	8	36	40
Utah	6	6	16	6	66
Vermont*	85		4		11
Virginia	10	35	12	16	27
Washington	38	16	12	19	15
West Virginia	53	6	6	28	7
Wisconsin	10	9	32	19	29
Wyoming*	100				
National (50 states + DC)	17	14	16	17	35

Notes: Median household income for each OZ determined from 2013-2017 American Community Survey.
Location of QOZ Property calculated by authors from IRS Form 8996.

* Quintiles merged to provide sufficient observations

Table 18. Socioeconomic Characteristics of Opportunity Zones (OZs) Receiving Qualified Opportunity Zone (QOZ) Property Investment and Average QOZ Property Investment through 2024 by National OZ Quintile Ranked by Level of QOZ Property Investment*, Means of Select Characteristics from 2013-2017 American Community Survey

	National QOZ Property Investment Quintile				
	1	2	3	4	5
Percent of Population:					
White	60	59	58	58	57
Black	26	26	27	25	24
Hispanic	20	21	23	24	26
With At Least a Bachelor's Degree	15	16	16	19	25
Homeowner	49	49	47	41	35
Average Median Household Income	\$36,187	\$36,296	\$35,893	\$36,323	\$39,880
Average Poverty Rate	28	28	29	29	28
Average Unemployment Rate	11	11	11	10	10
Average Median House Value	\$132,926	\$129,868	\$139,640	\$168,883	\$212,687
Average QOZ Property	\$158,000	\$513,000	\$1,445,000	\$6,535,000	\$77,967,000

*Only OZs with positive QOZ Property investment through 2024 included in the quintile ranking.

Table 19. Socioeconomic Characteristics of OZ 1.0 Tracts and other Census Tracts, 2017*

Characteristic	All Tracts	Ineligible Tracts	Eligible Non-Designated Tracts			Designated OZs		
			LIC	Contiguous	Total	LIC	Contiguous	Total
Number of Tracts	73,056	31,838	23,324	10,068	33,392	7,657	169	7,826
Percent Rural	32.6	26.5	32.0	49.5	37.2	37.5	57.4	37.9
Percent of Population:								
White	72.6	81.4	62.4	80.6	67.9	56.9	77.9	57.4
Black	13.8	6.3	21.4	8.9	17.7	27.5	12.4	27.1
American Indian	0.9	0.5	1.2	0.8	1.1	1.7	1.2	1.6
Asian	4.9	6.2	4.2	3.5	4.0	3.2	3.0	3.2
Other Race	7.8	5.5	10.7	6.2	9.3	10.8	5.5	10.7
Hispanic	16.3	10.4	23.7	12.4	20.3	22.8	10.0	22.5
Foreign Born	16.4	14.2	20.6	11.8	18.0	18.7	9.2	18.5
No College	41.4	30.0	51.7	42.8	49.0	54.4	42.9	54.2
With At Least a Bachelor's Degree	29.6	41.2	19.6	26.2	21.6	17.3	27.1	17.5
Homeowner	63.2	74.7	51.0	70.3	56.8	44.4	65.9	44.8
Median Age	39.3	41.9	36.2	41.1	37.7	35.5	41.5	35.6
Median Household Income	\$61,698	\$84,434	\$41,615	\$57,515	\$46,426	\$36,103	\$56,173	\$36,538
Poverty Rate	15.7	7.4	24.0	12.0	20.4	29.2	13.2	28.9
Labor Force Participation	62.8	65.5	60.6	62.4	61.2	58.4	61.2	58.5
Unemployment Rate	7.1	4.9	9.1	6.0	8.2	11.1	6.5	11.0
Gross Rent as % of Income	30.7	28.5	33.4	28.8	32.0	34.0	29.0	33.9
Housing Vacancy	11.9	9.1	14.0	13.2	13.7	15.4	15.2	15.4
Median Home Value	\$245,869	\$337,483	\$172,551	\$196,528	\$179,901	\$154,928	\$214,935	\$156,263

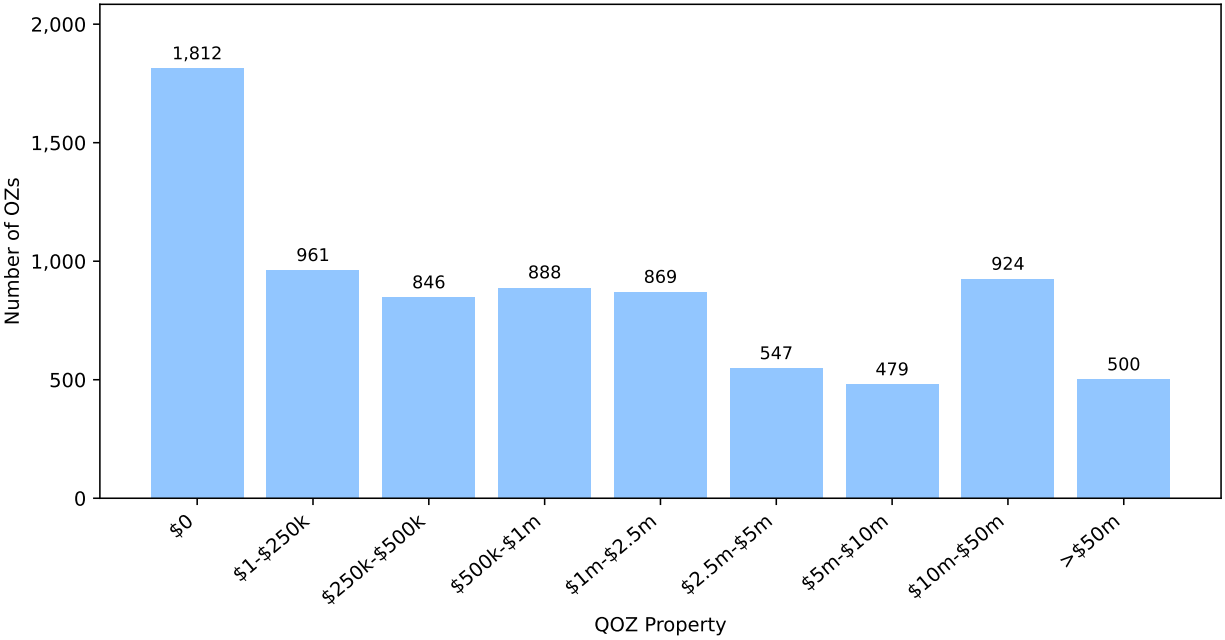
* Source: 2013-2017 American Community Survey. Does not include census tracts located in a territory. Respondents reporting two or more races are included in the "other race" category for exposition.

Table 20. Socioeconomic Characteristics of OZ 2.0 Eligible LICs and other Census Tracts, 2024*

Characteristic	All Tracts	Ineligible Tracts	Eligible LICs		
			Non-Rural LICs	Rural LICs	Total
Number of Tracts	84,548	59,928	16,529	8,091	24,620
Percent Rural	33.6	33.9	0.0	100.0	32.9
Percent of Population:					
White	61.5	68.6	34.1	65.6	44.4
Black	13.0	8.4	28.5	15.4	24.2
American Indian	1.0	0.7	1.1	3.0	1.7
Asian	5.4	6.0	5.5	1.1	4.1
Other Race	19.0	16.3	30.8	14.9	25.6
Hispanic	18.2	14.8	32.5	13.9	26.4
Foreign Born	13.3	12.1	21.1	5.7	16.1
No College	37.8	32.3	50.1	52.9	51.0
With At Least a Bachelor's Degree	34.2	39.7	22.7	17.5	21.0
Homeowner	65.1	72.4	40.2	63.0	47.7
Median Age	40.4	41.9	35.2	39.9	36.7
Median Household Income	\$85,266	\$99,079	\$53,336	\$49,514	\$52,082
Poverty Rate	13.6	8.6	26.0	24.7	25.6
Labor Force Participation	62.7	64.1	61.9	54.0	59.3
Unemployment Rate	5.5	4.5	8.5	7.1	8.1
Gross Rent as % of Income	29.8	28.6	34.0	29.9	32.7
Housing Vacancy	10.1	9.2	10.5	16.3	12.4
Median Home Value	\$387,000	\$436,489	\$310,012	\$170,719	\$262,574

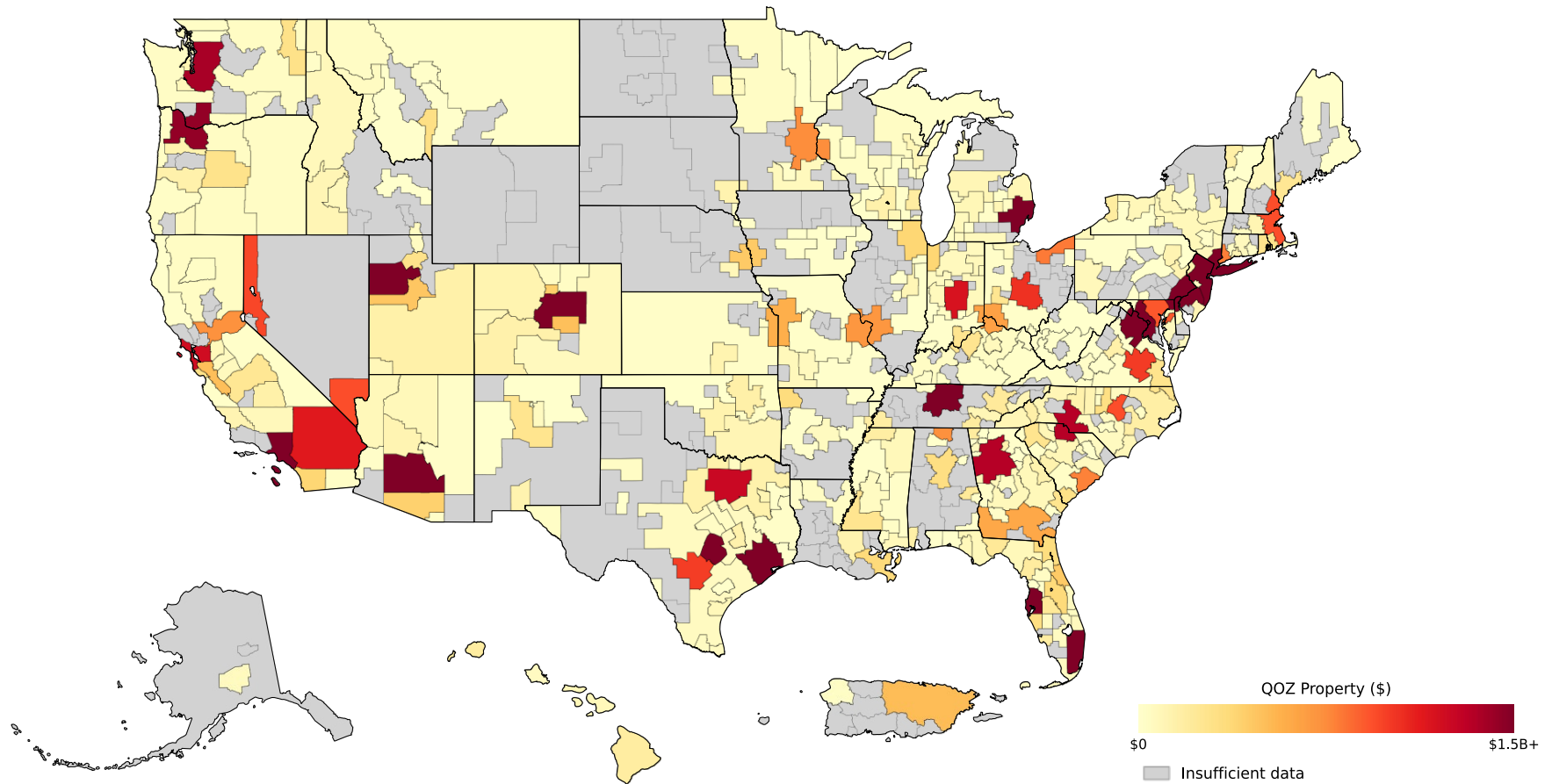
* Source: 2020-2024 American Community Survey. Does not include census tracts located in a territory. Note that changes to the ACS survey methodology beginning in the 2020 survey led to a higher share of respondents identifying with two or more races, which is included in the "Other Race" category.

Figure 1. Distribution of Opportunity Zones (OZs) by Amount of Qualified Opportunity Zone Property (QOZ) Investment, 2024



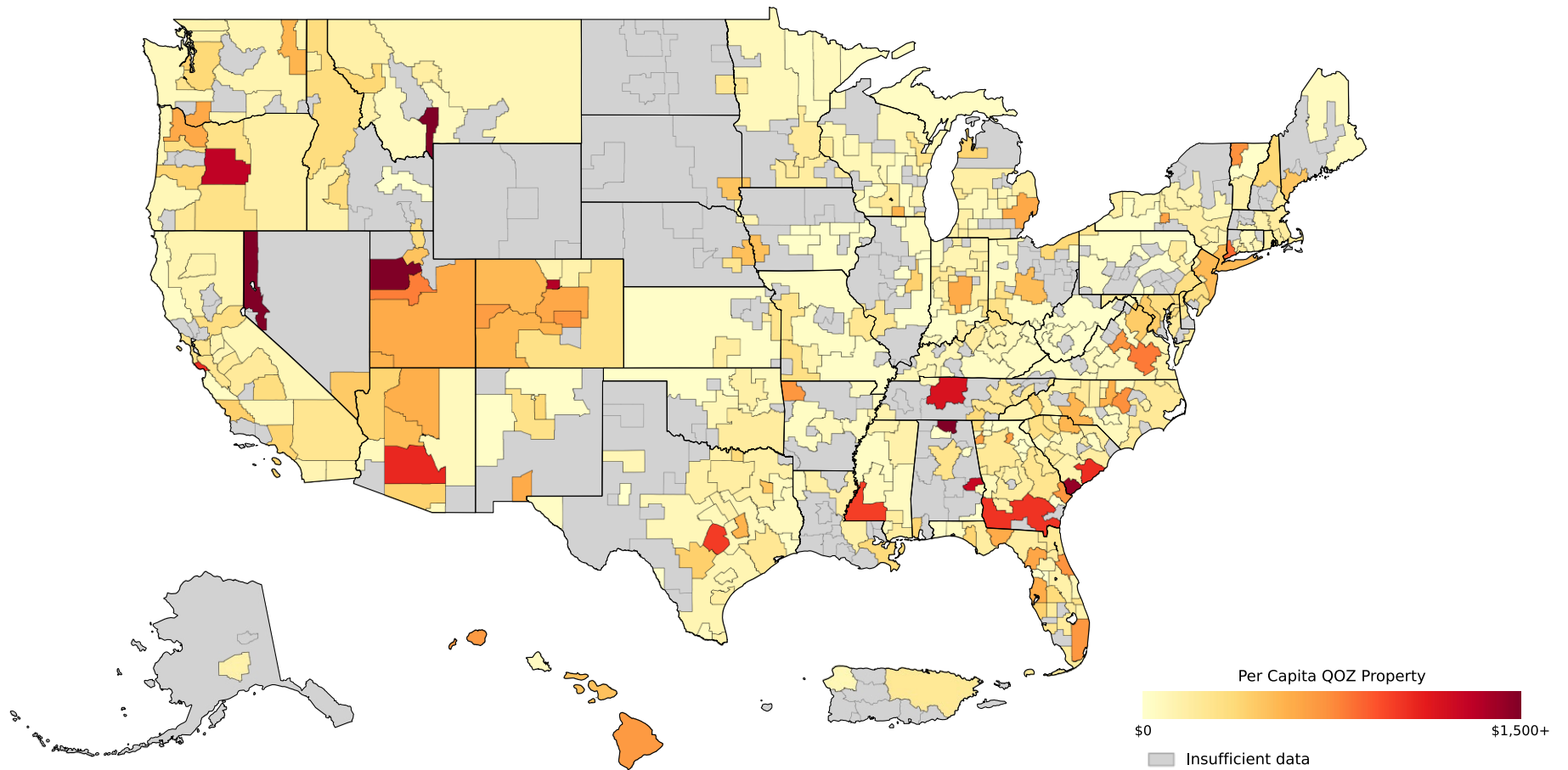
Notes: Qualified Opportunity Zone Property calculated by authors from IRS Form 8996. Does not include territories.

Figure 2. Distribution of QOZ Property by Metropolitan and Nonmetropolitan Areas Through TY 2024



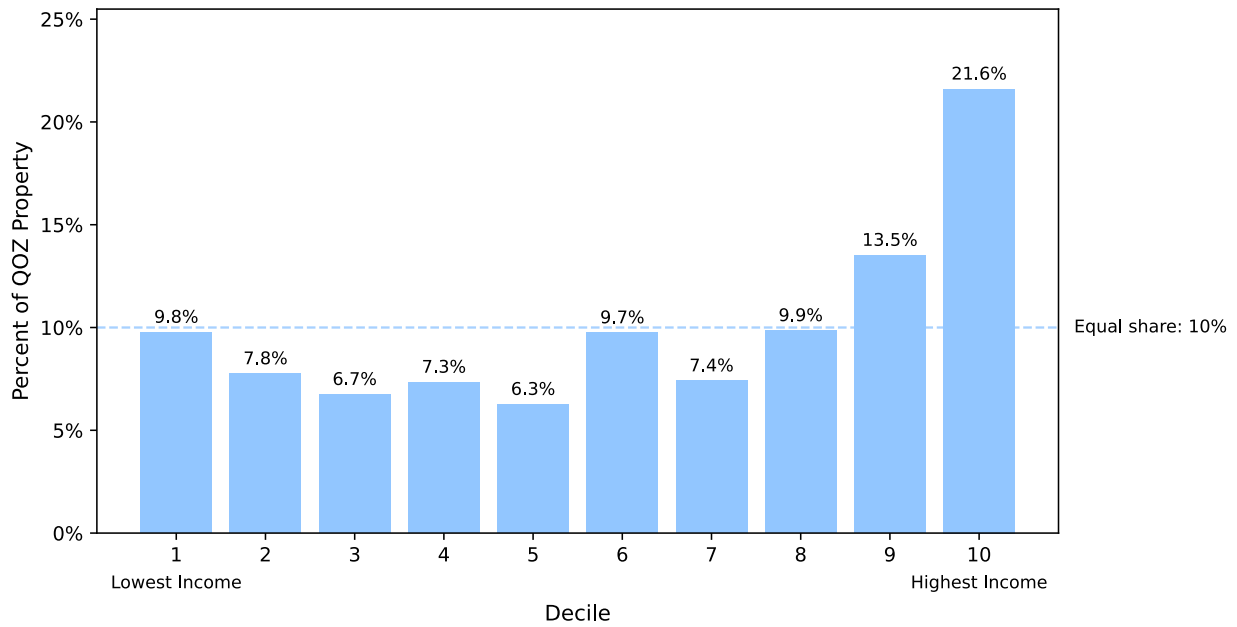
Notes: Data are aggregated to the metropolitan or nonmetropolitan area, including multistate metropolitan areas. State boundaries are included for exposition only.

Figure 3. Distribution of QOZ Property by Metropolitan and Nonmetropolitan Areas Through TY 2024, Per Capita



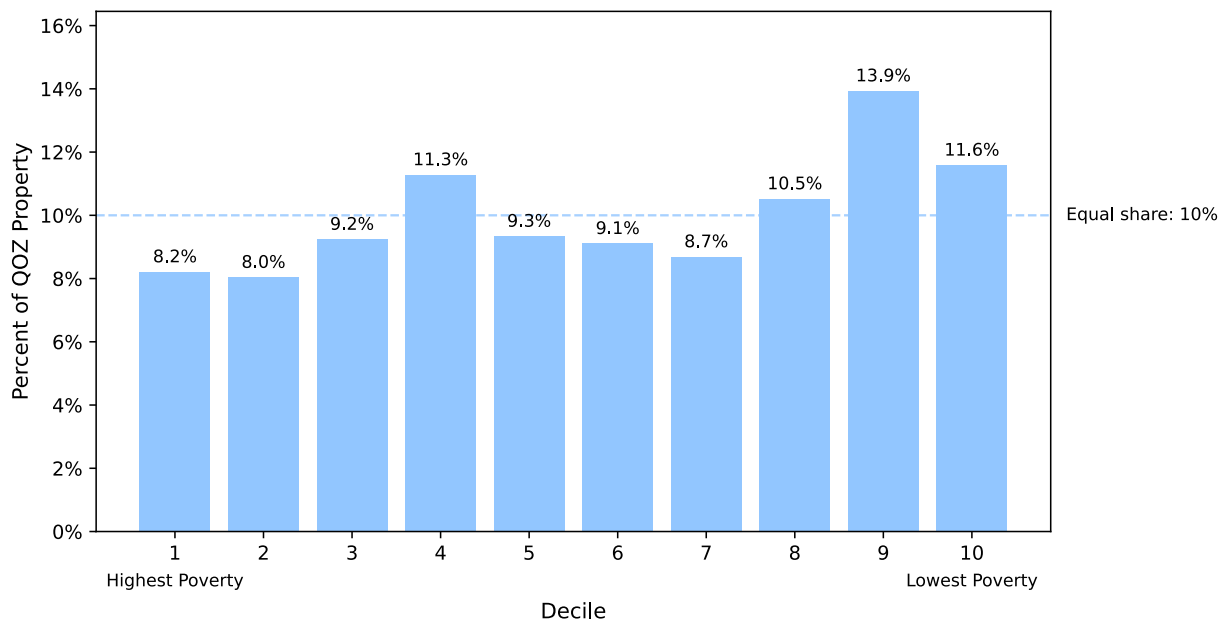
Notes: Data are aggregated to the metropolitan or nonmetropolitan area, including multistate metropolitan areas. State boundaries are included for exposition only.

Figure 4: Percent Share of Qualified Opportunity Zone (QOZ)
Property Located in National Opportunity Zone Decile
Ranked by Median Household Income, 2024



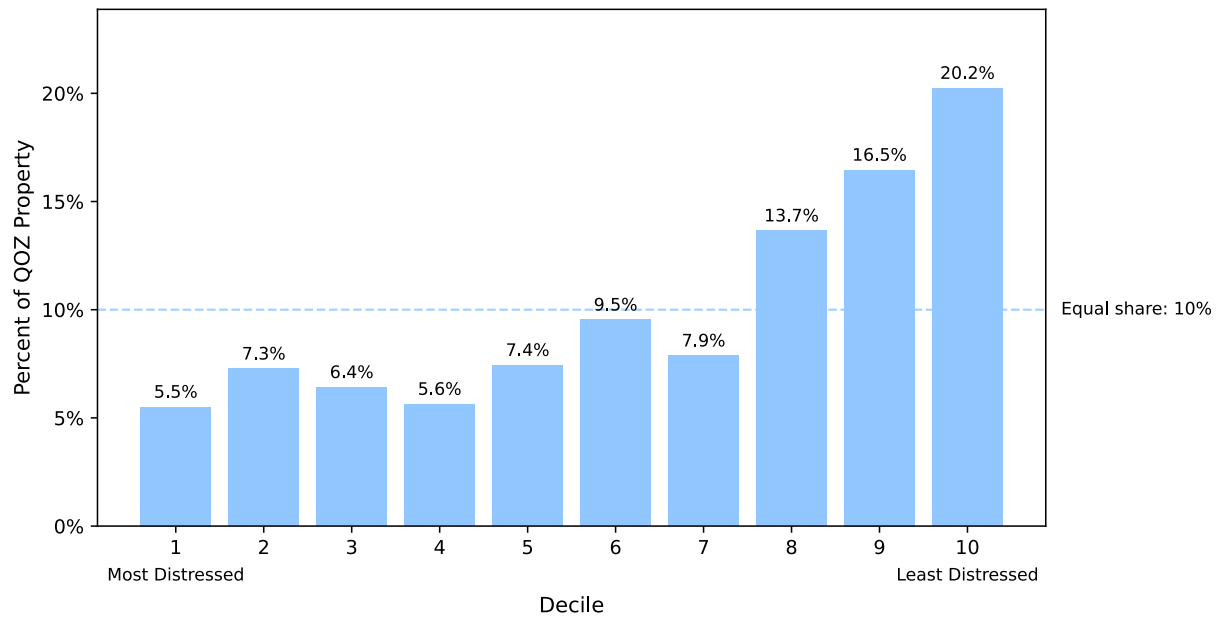
Notes: Median household income for each OZ determined from 2013-2017 ACS. Location of Qualified Opportunity Zone Property calculated by authors from IRS Form 8996. Does not include territories.

Figure 5: Percent Share of Qualified Opportunity Zone (QOZ)
Property Located in National Opportunity Zone Decile
Ranked by Poverty Rate (Reversed), 2024



Notes: Poverty rates for each OZ determined from 2013-2017 ACS. Location of Qualified Opportunity Zone Property calculated by authors from IRS Form 8996. Does not include territories.

Figure 6: Percent Share of Qualified Opportunity Zone (QOZ)
Property Located in National Opportunity Zone Decile
Ranked by Distress Index, 2024



Notes: Census tract distress index developed by Gelfond and Looney (2018). Location of Qualified Opportunity Zone Property calculated by authors from IRS Form 8996. Does not include territories.