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GOVERNOR PHIL SCOTT RELEASES DRAFT RECOMMENDATIONS FOR OPPORTUNITY ZONE DESIGNATIONS

New Designation Aims to Increase Investment in Low-Income Areas

Montpelier, Vt. – Governor Phil Scott today announced he will designate 25 Opportunity Zones across Vermont, a federal designation created in the Tax Cuts and Jobs Act of 2017 aimed at increasing investment in low-income areas. The Vermont Agency of Commerce and Community Development (ACCD) will seek public input on the recommendations through March 16.

The Tax Cuts and Jobs Act created a new tax incentive for investors who make qualified investments in Opportunity Zones through an Opportunity Fund. According to guidance issued by the Internal Revenue Service, investors will be able to defer or reduce federal tax liability on income directed to a fund and invested in Opportunity Zones.

“I hope this new designation spurs private investment in Vermont businesses and communities, which will be beneficial to my Administration’s work to grow the economy,” said Scott. “I am proposing designating 25 census tracts in 16 different communities across the state, giving each of them a new tool to attract private capital and spur job creation and community development.”

Scott’s proposal includes census tracts in Barre City, Bennington, Brattleboro, Burlington, Johnson, Lyndon, Newport City, Rockingham, Royalton, Rutland City, St. Albans City, St. Johnsbury, South Burlington, Springfield, Vergennes and Winooski. A detailed map and list of the census tracts can be found online at accd.vermont.gov/OpportunityZones. The federal legislation limits the state to 25 Opportunity Zone designations.

Representatives of ACCD worked with communities, development organizations and other stakeholders to narrow the list of more than 100 federally-recognized eligible census tracts down to the 25 recommended Friday. The Agency evaluated poverty and unemployment rates, population counts, the number of businesses and private sector jobs, available infrastructure, state designation program participation and development potential of each tract before making recommendations to Scott. Approximately 85,000 Vermonters – of which approximately 18,000 live below the federal poverty line – and 7,470 businesses reside in the proposed zones.

Scott's nominations are due to the U.S. Department of Treasury by March 21. ACCD will consider additional feedback to the Governor's recommendations through close of business Friday, March 16. Interested Vermonters may contact Deputy Secretary of Commerce Ted Brady at ted.brady@vermont.gov to offer input or receive additional information.

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