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MAYOR

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Mayor Vruwink calls on Governor Walker to designate City investment zones

Monday, March 19 – Wisconsin Rapids Mayor Zachary Vruwink is calling on Governor Scott Walker and State of Wisconsin economic development officials to meet a deadline to benefit from a Federal tax code provision that promotes investment in qualifying low-income communities (LICs). Wisconsin Rapids has two such qualifying census tracts.

Section 13823 of the Tax Cuts and Jobs Act of 2017 authorizes a process for state governors to spur investment in low-income communities, through the designation of “Opportunity Zones,” making it easier for mainstream private investors to support businesses and distressed communities.

Opportunity Zone provisions include:

- Designation of criteria for Opportunity Zones in every state and territory;
- Establishment of a new class of private investment vehicles called “Opportunity Funds”; and
- Incentives for investors to re-invest their capital gains in Opportunity Funds to provide patient capital for low-income communities.

Governors currently have a deadline of March 21 to submit a list of designated census tracts through which Opportunity Funds can flow. Once approved, these designations will remain in place for 10 years. If necessary, governors can request a 30-day extension.

“We have an immediate need for Governor Walker and State agencies to work with us to designate qualifying areas of Wisconsin Rapids for this opportunity,” said Mayor Vruwink. “As we continue to grow our economy and create jobs for our residents, we need every investment tool available to accomplish this- action must be taken now.”

The Department of Treasury must complete certification of Opportunity Zones within 30 days of receipt of a nomination from a governor. Thus, implementation of the program could begin as early as the fourth quarter of 2018.

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