

State of Rhode Island and Providence Plantations

SENATOR
DAWN EUER
District 13



Senate Chamber

Committee on Commerce

Committee on
Environment and Agriculture

Committee on Rules,
Government Ethics and Oversight

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December 18, 2018

The Honorable Steven Mnuchin
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

RE: Comments regarding the proposed regulations of Opportunity Zones as authorized by the Tax Cuts and Jobs Act of 2017, H.R. 115

Dear Secretary Mnuchin:

The Opportunity Zones incentives aim to promote development in distressed communities that have often been left behind. Although this strategy sounds promising in theory, we have seen that these types of incentives often fall short or create unintended consequences. It is important to ensure that our local communities experience the benefits promised by the Opportunity Zones incentives. Therefore, I strongly encourage that Treasury please keep the following in mind while developing the details of this incentive.

I understand that Governors have worked with local officials on the selection of Opportunity Zones based on a number of local variables. However, it is essential that state governments remain involved throughout the development process and continue to work with local officials in order to ensure the needs of their communities are met. States should have the flexibility to decide what type of development is best suited for their Opportunity Zones in order to minimize displacement of local residents and encourage appropriate economic stimulation. Lastly, small businesses are indispensable to America's economy. By providing states with continued flexibility, it would allow for the opportunity to grow local businesses and encourage new businesses and start-ups to grow.

Another essential recommendation relates to reporting requirements for participants of Opportunity Zones incentives. Understanding the impact of such incentives is important. Therefore, reporting requirements should be put in place so investors who take advantage of these incentives will report their transactions. The hope is to provide states and the federal government with data to evaluate if the Opportunity Zones incentives are producing the desired results.

I appreciate the opportunity to submit comments related to the proposed rules of Opportunity Zones. As a government, we need to be reasonable with tax dollars. We cannot promote incentives that only benefit wealthy investors and hurt the most vulnerable. Preventing gentrification as we encourage development should be our overall goal. Thank you for your attention to this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dawn Euer".

Senator Dawn Euer
Rhode Island State Senator
District 13