

RALPH NORMAN
5TH DISTRICT OF SOUTH CAROLINA



COMMITTEE ON SCIENCE,
SPACE, AND TECHNOLOGY
SMALL BUSINESS COMMITTEE



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

March 8, 2018

The Honorable Henry McMaster
Governor of South Carolina
State House
1100 Gervais Street
Columbia, South Carolina 29201

Dear Governor McMaster;

On behalf of my constituents in the Fifth District, I am writing regarding H.R. 1, the Tax Cuts and Jobs Act, which was signed into law by President Donald Trump on December 22, 2017. This vital piece of legislation will help ease the tax burden for nearly every American, small business, and corporation. One specific business provision that I would like to address is Opportunity Zones under 26 U.S.C. Title I, Subtitle A, Chapter 1, Subchapter Z, §1400Z-1.

This provision, championed by Senator Tim Scott (R-SC), provides a federal tax incentive for reinvesting capital gains into "Opportunity Funds," which are vehicles dedicated to investing in low-income areas designated as Opportunity Zones. These Opportunity Zones are a new community development program that encourages long-term investment in low-income urban and rural communities nationwide. With over one million people living in economically-troubled communities in South Carolina, this impactful provision will have lasting effects on communities across our state.

As you are aware, implementation of these Opportunity Zones is under the discretion of the governors of all U.S. states. Governors have 90 days from the enactment of H.R. 1 to nominate eligible census tracts as Opportunity Zones, and submit in writing the decisions to the U.S. Secretary of the Treasury. The deadline to nominate communities is March 21, 2018.

With 538 eligible, low-income census tracts in South Carolina, you can nominate 25%, or roughly 135 communities and areas, as Opportunity Zones. There are 82 eligible areas that span across all eleven counties in my district alone. I write to encourage you to choose all eligible communities in my district – ensuring that every economically-distressed area is equally considered during the selection process.

Fairfield County has five eligible census tracts and as a result of the recent closing of the V.C. Summer nuclear plant, and the loss of over 5,000 jobs, it is imperative that you choose the entirety of this county. Additionally, Lee County has six eligible census tracts encompassing the entire county, so it is also critical you nominate the entire county. Furthermore, as you know, the majority of this part of South Carolina is rural and lacks necessary resources to grow economically. For example, over half of Kershaw, Lancaster, Chester, Cherokee, Union, and Newberry Counties are eligible for nomination to become Opportunity Zones. Additionally, with the rapid population growth of York County and Spartanburg County, I strongly urge nominating the 12 inner-city eligible zones in Rock Hill, the six eligible zones in rural York County, and the two census tracts in rural Spartanburg County in my district. Lastly, it is of

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utmost importance to maintain economically-prosperous areas in Sumter County, to particularly benefit Shaw Air Force Base.

With a district that stretches from the outskirts of Spartanburg and to the city of Sumter, and from the suburbs of Charlotte to Newberry and Fairfield Counties, I believe it is vital to nominate all eligible areas in my district to incentivize economic vitalization and revitalization. By incentivizing long-term investment in these counties, our state will see significant improvements in job creation, economic investments and development.

Thank you for your continued support, and I look forward to working with you on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Ralph Norman".

Ralph Norman
Member of Congress