

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

[Docket No. FR-4889-N-06]

**Statutorily Mandated Designation of
Difficult Development Areas for
Section 42 of the Internal Revenue
Code of 1986: Supplemental
Designation Under the Gulf
Opportunity Zone Act of 2005**

AGENCY: Office of the Secretary, HUD.

ACTION: Notice.

SUMMARY: This document designates "Difficult Development Areas" (DDAs) for purposes of the Low-Income Housing Tax Credit (LIHTC) under section 42 of the Internal Revenue Code of 1986 (the Code) (26 U.S.C. 42) as amended by the Gulf Opportunity Zone Act of 2005 (Pub. L. 109-135; the GO Zone Act). The United States Department of Housing and Urban Development (HUD) makes new Difficult Development Area designations annually and is making a supplemental designation at this time because of changes in the program enacted in the GO Zone Act. The designations of "Qualified Census Tracts" (QCTs) under section 42 of the Internal Revenue Code published December 12, 2002, as supplemented on December 19, 2003, remain in effect.

FOR FURTHER INFORMATION CONTACT: For questions on how areas are designated and on geographic definitions, contact Kurt G. Usowski, Associate Deputy Assistant Secretary for Economic Affairs, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-6000, telephone (202) 708-2770, or send e-mail to Kurt_G_Usowski@hud.gov. For specific legal questions pertaining to Section 42, contact Branch 5, Office of the Associate Chief Counsel, Passthroughs & Special Industries, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224, telephone (202) 622-3040, fax (202) 622-4753. For questions about the "HUB Zones" program, contact Michael P. McHale, Assistant Administrator for Procurement Policy, Office of Government Contracting, Small Business Administration, 409 Third Street, SW., Suite 8800, Washington, DC 20416, telephone (202) 205-8885, fax (202) 205-7167, or send e-mail to hubzone@sba.gov. A text telephone is available for persons with hearing or speech impairments at (202) 708-9300. (These are not toll-free telephone numbers.) Additional copies of this notice are available through HUD

User at (800) 245-2691 for a small fee to cover duplication and mailing costs.

Copies Available Electronically: This notice and additional information about DDAs and QCTs are available electronically on the Internet at <http://www.huduser.org/datasets/qct.html>.

SUPPLEMENTARY INFORMATION:

This Document

This notice designates DDAs for each of the 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. The designations of DDAs in this notice are based on final Fiscal Year (FY) 2005 Fair Market Rents (FMRs), 2005 income limits, and 2000 Census population counts as explained below. HUD is making a supplemental designation at this time because of changes in the program enacted in the GO Zone Act. Specifically, the GO Zone Act provides that areas determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma shall be treated as DDAs designated under subclause (I) of Internal Revenue Code section 42(d)(5)(C)(iii) (i.e., areas designated by the Secretary of HUD as having high construction, land, and utility costs relative to area median gross income (AMGI)), and shall not be taken into account for purposes of applying the limitation under subclause (II) of such section (i.e., the 20 percent cap on the total population of designated areas). This notice lists the affected areas described in the GO Zone Act. Some of the areas made DDAs under the GO Zone Act were designated as DDAs for 2006 on the basis of having high housing cost relative to income. When their populations are exempted from the computation of total population in areas previously designated as DDAs for 2006, this population falls well below the statutory 20 percent cap. Therefore, this notice designates additional 2006 DDAs where the Secretary of HUD finds that construction, land, and utility costs are high relative to AMGI. The designations of QCTs under section 42 of the Internal Revenue Code published December 12, 2002 (67 FR 76451), as supplemented on December 19, 2003 (68 FR 70982), remain in effect.

2000 Census

Data from the 2000 Census on total population of metropolitan areas and nonmetropolitan areas are used in the designation of DDAs. The Office of Management and Budget (OMB)

published new metropolitan area definitions incorporating 2000 Census data in OMB Bulletin No. 03-04 on June 6, 2003, as updated in OMB Bulletin No. 04-03 on February 18, 2004, and OMB Bulletin No. 05-02 on February 22, 2005. The FY2005 FMRs and 2005 income limits used to designate DDAs are based on the Metropolitan Statistical Area (MSA) and Primary Metropolitan Statistical Area (PMSA) definitions established by OMB in OMB Bulletin No. 99-04 on June 30, 1999. Therefore, for the purposes of designating DDAs, "metropolitan areas" will continue to be defined according to the MSA/PMSA definitions established in OMB Bulletin No. 99-04 on June 30, 1999, until further notice.

Background

The U.S. Department of the Treasury (Treasury) and its Internal Revenue Service (IRS) are authorized to interpret and enforce the provisions of the Code, including the LIHTC found at section 42 of the Code. The Secretary of HUD is required to designate DDAs and QCTs by section 42(d)(5)(C) of the Code. In order to assist in understanding HUD's mandated designation of DDAs and QCTs for use in administering section 42, a summary of the section is provided. The following summary does not purport to bind Treasury or the IRS in any way, nor does it purport to bind HUD, as HUD has authority to interpret or administer the Code only in instances where it receives explicit delegation.

Summary of Low-Income Housing Tax Credit

The LIHTC is a tax incentive intended to increase the availability of low-income housing. Section 42 provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects. The dollar amount of the LIHTC available for allocation by each state (credit ceiling) is limited by population. Each state is allowed a credit ceiling based on a statutory formula indicated at section 42(h)(3). States may carry forward unallocated credits derived from the credit ceiling for one year; however, to the extent these unallocated credits are not used by then, the credits go into a national pool to be redistributed to states as additional credit. State and local housing agencies allocate the state's credit ceiling among low-income housing buildings whose owners have applied for the credit. Besides section 42 credits derived from the credit ceiling, states may also provide section 42 credits to owners of buildings based on the percentage of certain building

costs financed by tax-exempt bond proceeds. Credits provided under the tax-exempt bond "volume cap" do not reduce the credits available from the credit ceiling.

The credits allocated to a building are based on the cost of units placed in service as low-income units under certain minimum occupancy and maximum rent criteria. In general, a building must meet one of two thresholds to be eligible for the LIHTC: either 20 percent of the units must be rent-restricted and occupied by tenants with incomes no higher than 50 percent of the AMGI or 40 percent of the units must be rent restricted and occupied by tenants with incomes no higher than 60 percent of AMGI. The term "rent-restricted" means that gross rent, including an allowance for utilities, cannot exceed 30 percent of the tenant's imputed income limitation (*i.e.*, 50 percent or 60 percent of AMGI). The rent and occupancy thresholds remain in effect for at least 15 years, and building owners are required to enter into agreements to maintain the low-income character of the building for at least an additional 15 years.

The LIHTC reduces income tax liability dollar for dollar. It is taken annually for a term of ten years and is intended to yield a present value of either: (1) 70 percent of the "qualified basis" for new construction or substantial rehabilitation expenditures that are not federally subsidized (*i.e.*, financed with tax-exempt bonds or below-market federal loans), or (2) 30 percent of the qualified basis for the cost of acquiring certain existing buildings or projects that are federally subsidized. The actual credit rates are adjusted monthly for projects placed in service after 1987 under procedures specified in section 42. Individuals can use the credits up to a deduction equivalent of \$25,000 (the actual maximum amount of credit that an individual can claim depends on the individual's marginal tax rate). Individuals cannot use the credits against the alternative minimum tax. Corporations, other than S or personal service corporations, can use the credits against ordinary income tax. They cannot use the credits against the alternative minimum tax. These corporations can also deduct losses from the project.

The qualified basis represents the product of the building's "applicable fraction" and its "eligible basis." The applicable fraction is based on the number of low-income units in the building as a percentage of the total number of units, or based on the floor space of low income-units as a percentage of the total floor space of

residential units in the building. The eligible basis is the adjusted basis attributable to acquisition, rehabilitation, or new construction costs (depending on the type of LIHTC involved). These costs include amounts chargeable to a capital account that are incurred prior to the end of the first taxable year in which the qualified low-income building is placed in service or, at the election of the taxpayer, the end of the succeeding taxable year. In the case of buildings located in designated DDAs or designated QCTs, eligible basis can be increased by up to 130 percent from what it would otherwise be. This means that the available credits also can be increased by up to 30 percent. For example, if a 70 percent credit is available, it effectively could be increased to as much as 91 percent.

Section 42 of the Code defines a DDA as any area designated by the Secretary of HUD as an area that has high construction, land, and utility costs relative to the AMGI. All designated DDAs in metropolitan areas (taken together) may not contain more than 20 percent of the aggregate population of all metropolitan areas, and all designated areas not in metropolitan areas may not contain more than 20 percent of the aggregate population of all nonmetropolitan areas.

The GO Zone Act provides that areas determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma shall be treated as DDAs designated under subclause (I) of Internal Revenue Code section 42(d)(5)(C)(iii) (*i.e.*, areas designated by the Secretary of HUD as having high construction, land, and utility costs relative to AMGI), and shall not be taken into account for purposes of applying the limitation under subclause (II) of such section (*i.e.*, the 20 percent cap on the total population of designated areas). This notice lists the affected areas described in the GO Zone Act. Some of the areas designated DDAs under the GO Zone Act were designated 2006 DDAs in a notice published August 22, 2005 on the basis of having high construction, land, and utility costs relative to AMGI. When GO Zone Act DDAs' populations are exempted from the computation of total population in areas previously designated as DDAs for 2006, this population falls well below the statutory 20 percent cap. Therefore, this notice designates additional 2006 DDAs where the Secretary of HUD finds that construction, land, and utility costs are high relative to AMGI.

Explanation of HUD Designation Methodology

A. Difficult Development Areas

This notice lists all areas determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma as DDAs according to lists of counties and parishes from the Federal Emergency Management Agency Web site (<http://www.fema.gov/>) as of January 27, 2006. Affected metropolitan areas and nonmetropolitan areas are assigned the indicator "[GO Zone]" in the lists of DDAs.

In developing the list of the remaining DDAs, HUD compared housing costs with incomes. HUD used 2000 Census population data and the metropolitan area (MSA/PMSA) definitions as published in OMB Bulletin No. 99-04 on June 30, 1999. In keeping with past practice of basing the coming year's DDA designations on data from the preceding year, the basis for these comparisons was the 2005 HUD income limits for Very Low-Income households (Very Low Income Limits, or VLILs) and final FY2005 FMRs used for the Section 8 Housing Choice Voucher program. The procedure used in making the DDA calculations follows:

1. For each MSA/PMSA and each nonmetropolitan area, a ratio was calculated. This calculation used the final FY2005 two-bedroom FMR and the 2005 four-person VLIL.

a. The numerator of the ratio was the area's final FY2005 FMR. In general, the FMR is based on the 40th percentile rent paid by recent movers for a two-bedroom apartment. In metropolitan areas granted a FMR based on the 50th percentile rent for purposes of improving the administration of HUD's Housing Choice Voucher program (see 66 FR 162), the 40th percentile rent was used for nationwide consistency of comparisons.

b. The denominator of the ratio was the monthly LIHTC income-based rent limit calculated as $\frac{1}{12}$ of 30 percent of 120 percent of the area's VLIL (where the VLIL was rounded to the nearest \$50 and not allowed to exceed 80 percent of the AMGI in areas where the VLIL is adjusted upward from its 50 percent of AMGI base).

2. The ratios of the FMR to the LIHTC income-based rent limit were arrayed in descending order, separately, for MSAs/PMSAs and for nonmetropolitan areas.

3. The DDAs are those metropolitan areas and nonmetropolitan areas *not* in areas determined by the President to

warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma with the highest ratios cumulative to 20 percent of the 2000 population of all metropolitan areas and of all nonmetropolitan areas, respectively.

B. Application of Population Caps to Difficult Development Area Determinations

In identifying DDAs, HUD applied caps, or limitations, as noted above. The cumulative population of metropolitan DDAs *not* in areas determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma cannot exceed 20 percent of the cumulative population of all metropolitan areas and the cumulative population of nonmetropolitan DDAs *not* in areas determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma cannot exceed 20 percent of the cumulative population of all nonmetropolitan areas.

In applying these caps, HUD established procedures to deal with how to treat small overruns of the caps. The remainder of this section explains the procedure. In general, HUD stops selecting areas when it is impossible to choose another area without exceeding the applicable cap. The only exceptions to this policy are when the next eligible excluded area contains either a large absolute population or a large percentage of the total population, or the next excluded area's ranking ratio as described above was identical (to four decimal places) to the last area selected, *and* its inclusion resulted in only a minor overrun of the cap. Thus, for both the designated metropolitan and nonmetropolitan DDAs, there may be minimal overruns of the cap. HUD believes the designation of these additional areas is consistent with the intent of the legislation. As long as the apparent excess is small due to measurement errors, some latitude is justifiable because it is impossible to determine whether the 20 percent cap has been exceeded. Despite the care and effort involved in a decennial census, the Census Bureau and all users of the data recognize that the population counts for a given area and for the entire

country are not precise. The extent of the measurement error is unknown. Thus, there can be errors in both the numerator and denominator of the ratio of populations used in applying a 20 percent cap. In circumstances where a strict application of a 20 percent cap results in an anomalous situation, recognition of the unavoidable imprecision in the census data justifies accepting small variances above the 20 percent limit.

C. Exceptions to OMB Definitions of MSAs/PMSAs and Other Geographic Matters

As stated in OMB Bulletin 99-04 defining metropolitan areas: "OMB establishes and maintains the definitions of the [Metropolitan Areas] solely for statistical purposes * * * OMB does not take into account or attempt to anticipate any nonstatistical uses that may be made of the definitions * * *. We recognize that some legislation specifies the use of metropolitan areas for programmatic purposes, including allocating Federal funds."

HUD makes exceptions to OMB definitions in calculating FMRs by deleting counties from metropolitan areas whose OMB definitions are determined by HUD to be larger than their housing market areas.

The following counties are assigned their own FMRs and VLILs and evaluated as if they were separate metropolitan areas for purposes of designating DDAs.

Metropolitan Area and Counties Deleted
Chicago, Illinois: DeKalb, Grundy, and Kendall Counties.
Cincinnati-Hamilton, Ohio-Kentucky-Indiana: Brown County, Ohio; Gallatin, Grant, and Pendleton Counties, Kentucky; and Ohio County, Indiana.
Dallas, Texas: Henderson County.
Flagstaff, Arizona-Utah: Kane County, Utah.
New Orleans, Louisiana: St. James Parish.
Washington, DC-Maryland-Virginia-West Virginia: Clarke, Culpeper, King George, and Warren Counties, Virginia; and Berkely and Jefferson Counties, West Virginia.

In addition, Waller County, TX, part of the Houston, TX PMSA, is not an area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma. It is therefore excluded from the definition of the Houston, TX PMSA

and is assigned the FMR and VLIL of the Houston, TX PMSA and evaluated as if it were a separate metropolitan area for purposes of designating DDAs.

MSAs/PMSAs affected by geographic definition changes are assigned the indicator "(part)" in the list of Metropolitan DDAs. Any of the excluded counties designated as DDAs separately from their metropolitan areas are designated by the county name.

In the New England states (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont), OMB defined MSAs/PMSAs according to county subdivisions or minor civil divisions (MCDs), rather than county boundaries. Thus, when a New England county is designated as a Nonmetropolitan DDA, only that part of the county (the group of MCDs) not included in any MSA/PMSA is the Nonmetropolitan DDA. Affected counties are assigned the indicator "(part)" in the list of Nonmetropolitan DDAs.

For the convenience of readers of this notice, the geographical definitions of designated Metropolitan DDAs and the MCDs included in partial-county Nonmetropolitan DDAs in the New England states are included in the list of DDAs.

Future Designations

DDAs are designated annually as updated income and FMR data become available.

Effective Date

For DDAs designated by reason of being in areas determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma (the GO Zone Designation), the designation is effective: (1) For housing credit dollar amounts allocated and buildings placed in service during the period beginning on January 1, 2006, and ending on December 31, 2008; or (2) for purposes of section 42(h)(4)(B) of the Code, for buildings placed in service during the period beginning on January 1, 2006, and ending on December 31, 2008, but only with respect to bonds issued after December 31, 2005.

The 2006 lists of DDAs that are not part of the GO Zone Designation are effective: (1) For allocations of credit after December 31, 2005; or (2) for purposes of section 42(h)(4)(B) of the Code, if the bonds are issued and the building is placed in service after December 31, 2005. If an area is not on a subsequent list of DDAs, the 2006 lists

are effective for the area if (1) the allocation of credit to an applicant is made no later than the end of the 365-day period after the submission to the credit-allocating agency of a complete application by the applicant, and the submission is made before the effective date of the subsequent lists; or (2) for purposes of section 42(h)(4)(B) of the Code, the bonds are issued or the building is placed in service no later than the end of the 365-day period after the applicant submits a complete application to the bond-issuing agency, and the submission is made before the effective date of the subsequent lists, provided that both the issuance of the bonds and the placement in service of the building occur after the application is submitted.

An application is deemed to be submitted on the date it is filed if the application is determined to be complete as certified in writing by the credit-allocating agency or bond-issuing agency. A "complete application" means that no more than *de minimis* clarification of the application is required for the agency to make a decision about the allocation of tax credits or issuance of bonds requested in the application.

The designations of QCTs under section 42 of the Internal Revenue Code published December 12, 2002 (67 FR 76451), as supplemented on December 19, 2003 (68 FR 70982), remain in effect. The above language regarding calendar year 2006 and subsequent designations of DDAs also applies to the designations of QCTs published December 12, 2002 (67 FR 76451), as supplemented on December 19, 2003 (68 FR 70982), and subsequent designations of QCTs.

Interpretive Examples of Effective Date

For the convenience of readers of this notice, interpretive examples are provided below to illustrate the consequences of the effective date in areas that gain or lose DDA status. The term "regular DDA" as used below refers to DDAs that are designated by the Secretary of HUD as having high construction, land, and utility costs relative to AMGI. The term "GO Zone DDA" refers to areas determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricanes Katrina, Rita, or Wilma. The examples covering "regular DDAs" are equally applicable to future QCT designations.

(Case A) Project "A" is located in a 2006 regular DDA that is NOT a designated regular DDA in 2007. An

application for tax credits for Project "A" is filed with the allocating agency November 15, 2006, which the credit-allocating agency certifies in writing as complete. Credits are allocated to Project "A" on October 30, 2007. Project "A" IS eligible for the increase in basis accorded a project in a 2006 regular DDA because the application was filed BEFORE January 1, 2007 (the assumed effective date for the 2007 regular DDA lists), and tax credits were allocated no later than the end of the 365-day period after the filing of the complete application for an allocation of tax credits.

(Case B) Project "B" is located in a 2006 regular DDA that is NOT a designated regular DDA in 2007. An application for tax credits for Project "B" is filed with the allocating agency December 1, 2006, which the credit-allocating agency certifies in writing as complete. Credits are allocated to Project "B" on March 30, 2008. Project "B" IS NOT eligible for the increase in basis accorded a project in a 2006 regular DDA because, although the application for an allocation of tax credits was filed BEFORE January 1, 2007 (the assumed effective date of the 2007 regular DDA lists), the tax credits were allocated later than the end of the 365-day period after the filing of the complete application.

(Case C) Project "C" is located in a 2006 regular DDA that was not a DDA in 2005. Project "C" was placed in service November 15, 2005. An application for tax-exempt bond financing for Project "C" is filed with the bond-issuing agency on January 15, 2006, which the bond-issuing agency certifies in writing as complete. The bonds that will support the permanent financing of Project "C" are issued September 30, 2006. Project "C" IS NOT eligible for the increase in basis otherwise accorded a project in a 2006 DDA because the project was placed in service BEFORE January 1, 2006.

(Case D) Project "D" is located in an area that is a regular DDA in 2006, but IS NOT a regular DDA in 2007. An application for tax-exempt bond financing for Project "D" is filed with the bond-issuing agency on October 30, 2006, which the bond-issuing agency certifies in writing as complete. Bonds are issued for Project "D" on April 30, 2007, but Project "D" is not placed in service until January 30, 2008. Project "D" is eligible for the increase in basis available to projects located in 2006 regular DDAs because the first of the two events necessary for triggering the effective date for buildings described in section 42(h)(4)(B) of the Code (the two events being bonds issued and buildings

placed in service) took place on April 30, 2007, within the 365-day period after a complete application for tax-exempt bond financing was filed, and the application was filed during a time when the location of Project "D" was in a regular DDA.

(Case E) Project "E" is located in a GO Zone DDA. The bonds used to finance project "E" are issued July 1, 2008, and project "E" is placed in service July 1, 2009. Project "E" is NOT eligible for the increase in basis available to projects in GO Zone DDAs because it was not placed in service during the period beginning on January 1, 2006, and ending on December 31, 2008.

(Case F) Project "F" is located in a GO Zone DDA. The bonds used to finance project "F" were issued July 1, 2005, and project "F" is placed in service July 1, 2006. Project "F" is NOT eligible for the increase in basis available to projects in GO Zone DDAs because the bonds used to finance project "F" were issued BEFORE December 31, 2005.

Findings and Certifications

Environmental Impact

In accordance with 40 CFR 1508.4 of the regulations of the Council on Environmental Quality and 24 CFR 50.19(c)(6) of HUD's regulations, the policies and procedures contained in this notice provide for the establishment of fiscal requirements or procedures that do not constitute a development decision affecting the physical condition of specific project areas or building sites and, therefore, are categorically excluded from the requirements of the National Environmental Policy Act, except for extraordinary circumstances, and no Finding of No Significant Impact is required.

Federalism Impact

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any policy document that has federalism implications if the document either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the document preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the executive order. This notice merely designates "Difficult Development Areas" as required under section 42 of the Internal Revenue Code, as amended, for the use by political subdivisions of the states in allocating the Low-Income Housing Tax Credit. This notice also details the technical methodology used in making such

designations. As a result, this notice is not subject to review under the order.

Dated: February 16, 2006.

Darlene Williams,

*Assistant Secretary for Policy Development
and Research.*

BILLING CODE 4210-67-P

2006 IRS SECTION 42(d)(5)(C) METROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | Metropolitan Area | Metropolitan Area Components |
|--|---|------------------------------------|
| Alabama | Mobile, AL MSA [GO Zone] | Baldwin County |
| | Tuscaloosa, AL MSA [GO Zone] | Mobile County Tuscaloosa County |
| Arizona | Flagstaff, AZ-UT MSA (part) | Coconino County |
| | Las Vegas, NV-AZ MSA Yuma, AZ MSA | Mohave County Yuma County |
| California | Los Angeles-Long Beach, CA PMSA | Los Angeles County |
| | Oakland, CA PMSA | Alameda County |
| | Orange County, CA PMSA | Orange County |
| | Sacramento, CA PMSA | El Dorado County Placer County |
| | Salinas, CA MSA | Monterey County |
| | San Diego, CA MSA | San Diego County |
| | San Luis Obispo-Atascadero-Paso Robles, CA MSA | San Luis Obispo County |
| | Santa Barbara-Santa Maria-Lompoc, CA MSA | Santa Barbara County |
| | Santa Cruz-Watsonville, CA PMSA | Santa Cruz County |
| | Santa Rosa, CA PMSA | Sonoma County |
| | Ventura, CA PMSA | Ventura County |
| | Yolo, CA PMSA | Yolo County |
| | Daytona Beach, FL MSA | Flagler County |
| | Fort Lauderdale, FL PMSA [GO Zone] | Broward County |
| | Fort Myers-Cape Coral, FL MSA [GO Zone] | Lee County |
| | Fort Pierce-Port St. Lucie, FL MSA [GO Zone] | Martin County |
| | Melbourne-Titusville-Palm Bay, FL MSA [GO Zone] | Brevard County |
| | Miami, FL PMSA [GO Zone] | Miami-Dade County |
| | Naples, FL MSA [GO Zone] | Collier County |
| Orlando, FL MSA | Lake County | |
| Tampa-St. Petersburg-Clearwater, FL MSA | Hernando County | |
| West Palm Beach-Boca Raton, FL MSA [GO Zone] | Palm Beach County | |
| Hawaii | Honolulu, HI MSA | Honolulu County |
| Florida | Daytona Beach, FL MSA | Volusia County |
| | Fort Lauderdale, FL PMSA [GO Zone] | Broward County |
| | Fort Myers-Cape Coral, FL MSA [GO Zone] | Lee County |
| | Fort Pierce-Port St. Lucie, FL MSA [GO Zone] | Martin County |
| | Melbourne-Titusville-Palm Bay, FL MSA [GO Zone] | Brevard County |
| | Miami, FL PMSA [GO Zone] | Miami-Dade County |
| | Naples, FL MSA [GO Zone] | Collier County |
| | Orlando, FL MSA | Lake County |
| | Tampa-St. Petersburg-Clearwater, FL MSA | Hernando County |
| | West Palm Beach-Boca Raton, FL MSA [GO Zone] | Palm Beach County |
| Hawaii | Honolulu, HI MSA | Honolulu County |
| | Daytona Beach, FL MSA | Volusia County |
| | Fort Lauderdale, FL PMSA [GO Zone] | Broward County |
| | Fort Myers-Cape Coral, FL MSA [GO Zone] | Lee County |
| | Fort Pierce-Port St. Lucie, FL MSA [GO Zone] | Martin County |
| | Melbourne-Titusville-Palm Bay, FL MSA [GO Zone] | Brevard County |
| | Miami, FL PMSA [GO Zone] | Miami-Dade County |
| | Naples, FL MSA [GO Zone] | Collier County |
| | Orlando, FL MSA | Lake County |
| | Tampa-St. Petersburg-Clearwater, FL MSA | Hernando County |
| West Palm Beach-Boca Raton, FL MSA [GO Zone] | Palm Beach County | |
| California | Los Angeles-Long Beach, CA PMSA | Los Angeles County |
| | Oakland, CA PMSA | Alameda County |
| | Orange County, CA PMSA | Orange County |
| | Sacramento, CA PMSA | El Dorado County Placer County |
| | Salinas, CA MSA | Monterey County |
| | San Diego, CA MSA | San Diego County |
| | San Luis Obispo-Atascadero-Paso Robles, CA MSA | San Luis Obispo County |
| | Santa Barbara-Santa Maria-Lompoc, CA MSA | Santa Barbara County |
| | Santa Cruz-Watsonville, CA PMSA | Santa Cruz County |
| | Santa Rosa, CA PMSA | Sonoma County |
| Ventura, CA PMSA | Ventura County | |
| Yolo, CA PMSA | Yolo County | |
| Florida | Daytona Beach, FL MSA | Flagler County |
| | Fort Lauderdale, FL PMSA [GO Zone] | Broward County |
| | Fort Myers-Cape Coral, FL MSA [GO Zone] | Lee County |
| | Fort Pierce-Port St. Lucie, FL MSA [GO Zone] | Martin County |
| | Melbourne-Titusville-Palm Bay, FL MSA [GO Zone] | Brevard County |
| | Miami, FL PMSA [GO Zone] | Miami-Dade County |
| | Naples, FL MSA [GO Zone] | Collier County |
| | Orlando, FL MSA | Lake County |
| | Tampa-St. Petersburg-Clearwater, FL MSA | Hernando County |
| | West Palm Beach-Boca Raton, FL MSA [GO Zone] | Palm Beach County |
| Hawaii | Honolulu, HI MSA | Honolulu County |
| | Daytona Beach, FL MSA | Volusia County |
| | Fort Lauderdale, FL PMSA [GO Zone] | Broward County |
| | Fort Myers-Cape Coral, FL MSA [GO Zone] | Lee County |
| | Fort Pierce-Port St. Lucie, FL MSA [GO Zone] | Martin County |
| | Melbourne-Titusville-Palm Bay, FL MSA [GO Zone] | Brevard County |
| | Miami, FL PMSA [GO Zone] | Miami-Dade County |
| | Naples, FL MSA [GO Zone] | Collier County |
| | Orlando, FL MSA | Lake County |
| | Tampa-St. Petersburg-Clearwater, FL MSA | Hernando County |
| West Palm Beach-Boca Raton, FL MSA [GO Zone] | Palm Beach County | |

Metropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on metropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) METROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | Metropolitan Area | Metropolitan Area Components |
|---------------|--------------------------------|------------------------------|
| Louisiana | Baton Rouge, LA MSA [GO Zone] | Ascension Parish |
| | Houma, LA MSA [GO Zone] | Lafourche Parish |
| | Lafayette, LA MSA [GO Zone] | Acadia Parish |
| | Lake Charles, LA MSA [GO Zone] | Calcasieu Parish |
| | New Orleans, LA MSA [GO Zone] | Jefferson Parish |
| | | St. Charles Parish |
| | | Buxton town |
| | | Falmouth town |
| | | Hollis town |
| | | Old Orchard Beach town |
| Maine | Portland, ME MSA | South Portland city |
| | | Yarmouth town |
| | | Barnstable city |
| | | Easitham town |
| | | Sandwich town |
| | | Buxton town |
| | | Freeport town |
| | | Limington town |
| | | Portland city |
| | | Standish town |
| Massachusetts | Barnstable-Yarmouth, MA MSA | Yarmouth town |
| | | Barnstable city |
| | | Easitham town |
| | | Sandwich town |
| | | Brewster town |
| | | Harwich town |
| | | Yarmouth town |
| | | Chatham town |
| | | Mashpee town |
| | | Yarmouth town |
| | | West Baton Rouge Parish |
| | | Livingston Parish |
| | | St. Landry Parish |
| | | Plaquemines Parish |
| | | St. John the Baptist Parish |
| | | Casco town |
| | | Gorham town |
| | | Long Island town |
| | | Raymond town |
| | | Westbrook city |
| | | Cumberland town |
| | | Gray town |
| | | North Yarmouth town |
| | | Scarborough town |
| | | Windham town |
| | | Dennis town |
| | | Orleans town |
| | | Chatham town |
| | | Mashpee town |
| | | Yarmouth town |

Metropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on metropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) METROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | Metropolitan Area | Metropolitan Area Components |
|------------------------------|--------------------|------------------------------|
| Massachusetts (continued) | Boston, MA-NH PMSA | Acton town |
| | | Ayer town |
| | | Berkley town |
| | | Bolton town |
| | | Brookline town |
| | | Carlisle town |
| | | Concord town |
| | | Dover town |
| | | Foxborough town |
| | | Hamilton town |
| | | Holbrook town |
| | | Hudson town |
| | | Lancaster town |
| | | Lynn city |
| | | Mansfield town |
| | | Maynard town |
| | | Melrose city |
| | | Millis town |
| | | Natick town |
| | | Newton city |
| | | Norwell town |
| | | Plainville town |
| | | Reading town |
| | | Rowley town |
| | | Scituate city |
| | | Somerville city |
| | | Stow town |
| | | Topsfield town |
| | | Walpole town |
| | | Wayland town |
| | | Westwood town |
| | | Winthrop town |
| | | Ashland town |
| | | Belmont town |
| | | Blackstone town |
| | | Braintree town |
| | | Canton town |
| | | Cohasset town |
| | | Dighton town |
| | | Everett city |
| | | Gloucester city |
| | | Hingham town |
| | | Hopkinton town |
| | | Kingston town |
| | | Littleton town |
| | | Manchester-by-the-Sea town |
| | | Marshfield town |
| Medway town | | |
| Millis town | | |
| Nahant town | | |
| Newburyport city | | |
| Norton town | | |
| Pembroke town | | |
| Randolph town | | |
| Rockport town | | |
| Saugus town | | |
| Shirley town | | |
| Stoughton town | | |
| Taunton city | | |
| Wakefield town | | |
| Watertown city | | |
| Weston town | | |
| Winchester town | | |
| Arlington town | | |
| Bellevue city | | |
| Boxborough town | | |
| Cambridge city | | |
| Chelsea city | | |
| Dedham town | | |
| Essex town | | |
| Franklin city | | |
| Harvard town | | |
| Hopevale town | | |
| Ipswich town | | |
| Lincoln town | | |
| Malden city | | |
| Marlborough city | | |
| Medford city | | |
| Middleton town | | |
| Milton town | | |
| Newbury town | | |
| North Reading town | | |
| Peabody city | | |
| Quincy city | | |
| Rockland town | | |
| Salisbury town | | |
| Sherborn town | | |
| Stoneham town | | |
| Swampscott town | | |
| Upton town | | |
| Wareham town | | |
| Wenham town | | |
| Wilmington town | | |
| Wrentham town | | |
| Amesbury town | | |
| Bedford town | | |
| Berlin town | | |
| Boston city | | |
| Burlington town | | |
| Carver town | | |
| Danvers town | | |
| Duxbury town | | |
| Framingham town | | |
| Hanover town | | |
| Holliston town | | |
| Hull town | | |
| Lexington town | | |
| Lynnfield town | | |
| Marblehead town | | |
| Medfield town | | |
| Mendon town | | |
| Millville town | | |
| Needham town | | |
| Norfolk town | | |
| Norwood town | | |
| Plymouth town | | |
| Revere city | | |
| Salem city | | |
| Sharon town | | |
| Southborough town | | |
| Sudbury town | | |
| Townsend town | | |
| Walworth city | | |
| Wellesley town | | |
| Weymouth town | | |
| Woburn city | | |

Metropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on metropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) METROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PM SA DEFINITIONS June 30, 1999)

| State | Metropolitan Area | Metropolitan Area Components |
|------------------------------|--|---|
| Massachusetts (continued) | Brockton, MA PMSA | Abington town Avon town Bridgewater town Brockton city |
| | | East Bridgewater town Easton town Halifax town Hanson town |
| | | Lakeville town Middleborough town Plympton town Raynham town |
| | | West Bridgewater town Whitman town |
| Mississippi | Biloxi-Gulfport-Pascagoula, MS MSA [GO Zone] | Hancock County Harrison County Jackson County |
| | Hattiesburg, MS MSA [GO Zone] | Forrest County Lamar County |
| | Jackson, MS MSA [GO Zone] | Hinds County Madison County Rankin County |
| | Las Vegas, NV-AZ MSA | Clark County Nye County |
| New Hampshire | Boston, MA-NH PMSA | Seabrook town South Hampton town |
| | Jersey City, NJ PMSA | Hudson County |
| New Jersey | Vineland-Millville-Bridgeton, NJ PMSA | Cumberland County |
| | New York, NY PMSA | Bronx County Kings County Richmond County Queens County Westchester County |
| New York | Newburgh, NY-PA PMSA | Orange County |
| | Newburgh, NY-PA PMSA | Pike County |
| Pennsylvania | Beaumont-Port Arthur, TX MSA [GO Zone] | Hardin County Jefferson County Orange County |
| | Brazoria, TX PMSA [GO Zone] | Brazoria County |
| Texas | Corpus Christi, TX MSA | Nueces County San Patricio County |
| | Galveston-Texas City, TX PMSA [GO Zone] | Galveston County |
| | Houston, TX PMSA (part) [GO Zone] | Chambers County Fort Bend County Harris County Liberty County |
| | McAllen-Edinburg-Mission, TX MSA | Montgomery County |
| Virginia | Clarke County, VA HUD Metro FMR Area | Hidalgo County Clarke County |
| | Aguadilla, PR MSA | Aguada Municipio Moca Municipio |
| Puerto Rico | Caguas, PR PMSA | Caguas Municipio Cayey Municipio Gurabo Municipio |
| | Mayaguez, PR MSA | San Lorenzo Municipio Cabo Rojo Municipio Hormigueros Municipio Mayaguez Municipio |
| | | Sabana Grande Municipio San German Municipio |

Metropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on metropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) NONMETROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | Nonmetropolitan Counties or County Equivalents | | | |
|----------------|--|---------------------------------|---|-------------------------------|
| Alabama | Choctaw County [GO Zone] | Clarke County [GO Zone] | Greene County [GO Zone] | Hale County [GO Zone] |
| | Marengo County [GO Zone] | Pickens County [GO Zone] | Sumter County [GO Zone] | Washington County [GO Zone] |
| Alaska | Aleutians East Borough | Aleutians West Census Area | Bethel Census Area | Bristol Bay Borough |
| | Dillingham Census Area | Fairbanks North Star Borough | Haines Borough | Juneau City and Borough |
| | Ketchikan Gateway Borough | Kodiak Island Borough | Lake and Peninsula Borough | Nome Census Area |
| | North Slope Borough | Northwest Arctic Borough | Prince of Wales-Outer Ketchikan Census Area | Sitka City and Borough |
| | Skagway-Hoonah-Angoon Census Area | Southeast Fairbanks Census Area | Valdez-Cordova Census Area | Wade Hampton Census Area |
| Arizona | Wrangell-Petersburg Census Area | Yakutat City and Borough | Yukon-Koyukuk Census Area | |
| | Apache County | Cochise County | Gila County | Graham County |
| | Greenlee County | La Paz County | Navajo County | Santa Cruz County |
| Yavapai County | | | | |
| | Baxter County | Carroll County | Cleburne County | Drew County |
| Arkansas | Garland County | Hempstead County | Lafayette County | Mississippi County |
| | Montgomery County | Nevada County | Pike County | St. Francis County |
| California | Amador County | Colusa County | Del Norte County | Glenn County |
| | Humboldt County | Imperial County | Kings County | Lake County |
| | Lassen County | Mariposa County | Mendocino County | Modoc County |
| | Mono County | Nevada County | Plumas County | San Benito County |
| | Sierra County | Siskiyou County | Tehama County | Trinity County |
| | Tuolumne County | | | |
| | Archuleta County | Clear Creek County | Custer County | Dolores County |
| | Eagle County | Garfield County | Gunnison County | Hinsdale County |
| | Jackson County | La Plata County | Lake County | Mineral County |
| | Ouray County | Park County | Pitkin County | Rio Blanco County |
| Routt County | San Juan County | San Miguel County | Summit County | |
| Teller County | | | | |
| Colorado | Citrus County | Columbia County | DeSoto County | Glades County [GO Zone] |
| | Hardee County | Hendry County [GO Zone] | Highlands County | Indian River County [GO Zone] |
| | Monroe County [GO Zone] | Okeechobee County [GO Zone] | Walton County | |
| | Gilmer County | Hall County | Towns County | |
| Hawaii | Hawaii County | Kalawao County | Kauai County | Maui County |
| | Benewah County | Bonner County | Boundary County | Camas County |
| Idaho | Cassia County | Gem County | Gooding County | Idaho County |
| | Jerome County | Kootenai County | Lincoln County | Twin Falls County |

Nonmetropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on nonmetropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) NONMETROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | Nonmetropolitan Counties or County Equivalents | | | |
|------------------------------|--|-----------------------------------|--------------------------------|---------------------|
| Kentucky | Butler County | Fulton County | | |
| | McLean County | Nicholas County | | |
| | Powell County | Simpson County | | |
| Louisiana | Allen Parish [GO Zone] | Beauregard Parish [GO Zone] | Bienville Parish | |
| | Cameron Parish [GO Zone] | East Feliciana Parish [GO Zone] | Iberia Parish [GO Zone] | |
| | Iberville Parish [GO Zone] | Jefferson Davis Parish [GO Zone] | Pointe Coupee Parish [GO Zone] | |
| | Red River Parish | Sabine Parish [GO Zone] | St. Mary Parish [GO Zone] | |
| | Tangipahoa Parish [GO Zone] | Vermilion Parish [GO Zone] | Washington Parish [GO Zone] | |
| | West Feliciana Parish [GO Zone] | | | |
| | Maine | CUMBERLAND COUNTY (part) towns of | Bridgton town | Brunswick town |
| | | Harperswell town | Harrison town | New Gloucester town |
| | | Pownal town | Sebago town | |
| | | Hancock County | Knox County | Piscataquis County |
| Sagadahoc County | | | | |
| WALDO COUNTY (part) towns of | | Belfast city | Brooks town | |
| Burnham town | | Frankfort town | Islesboro town | |
| Jackson town | | Knox town | Lincolnville town | |
| Monroe town | | Montville town | Northport town | |
| Palermo town | | Prospect town | Searsport town | |
| Stockton Springs town | | Swarville town | Troy town | |
| Unity town | | Waldo town | | |
| YORK COUNTY (part) towns of | | Action town | Arundel town | |
| Biddeford city | | Cornish town | Kennebunk town | |
| Kennebunkport town | | Lebanon town | Lyman town | |
| Newfield town | | North Berwick town | Parsonsfield town | |
| Saco city | | Sanford town | Waterboro town | |
| Wells town | | | | |
| Massachusetts | | BARNSTABLE COUNTY (part) towns of | Falmouth town | Provincetown town |
| | | Truro town | Bourne town | |
| | | Dukes County | Wellfleet town | |
| | | HAMPSHIRE COUNTY (part) towns of | Chesterfield town | Goshen town |
| | | Middlefield town | Pelham town | Westhampton town |
| | Worthington town | | | |
| | Nantucket County | | | |

Nonmetropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on nonmetropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) NONMETROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | Nonmetropolitan Counties or County Equivalents | | | |
|-------------------------------------|--|------------------------------|----------------------------|----------------|
| Michigan | Benzie County | Grand Traverse County | | |
| | Ossego County | | | |
| Mississippi | Adams County [GO Zone] | Attala County [GO Zone] | Benton County | |
| | Bolivar County | Choctaw County [GO Zone] | Claiborne County [GO Zone] | |
| | Clarke County [GO Zone] | Chickasaw County | Covington County [GO Zone] | |
| | Franklin County [GO Zone] | Coahoma County | Holmes County [GO Zone] | |
| | Humphreys County [GO Zone] | George County [GO Zone] | Jefferson County [GO Zone] | |
| | Jefferson Davis County [GO Zone] | Issaquena County | Lafayette County | |
| | Lauderdale County [GO Zone] | Jones County [GO Zone] | Leflore County | |
| | Lincoln County [GO Zone] | Lawrence County [GO Zone] | Marshall County | |
| | Neshoba County [GO Zone] | Lowndes County [GO Zone] | Oktibbeha County [GO Zone] | |
| | Panola County | Newton County [GO Zone] | Pike County [GO Zone] | |
| | Quitman County | Pearl River County [GO Zone] | Simpson County [GO Zone] | |
| | Smith County [GO Zone] | Scott County [GO Zone] | Tunica County | |
| | Walthall County [GO Zone] | Stone County [GO Zone] | Wayne County [GO Zone] | |
| | Wilkinson County [GO Zone] | Warren County [GO Zone] | | |
| | | Winston County [GO Zone] | | |
| | Missouri | Stone County | Taney County | |
| | Montana | Beaverhead County | Flathead County | Lincoln County |
| | | Madison County | Meagher County | Park County |
| | | Ravalli County | Sanders County | |
| | | Carson City | Churchill County | Lyon County |
| | Nevada | Storey County | Douglas County | |
| | | | | |
| | | Belnap County | Carroll County | Grafton County |
| HILLSBOROUGH COUNTY (part) towns of | | Antrim town | Deering town | |
| Francestown town | | Greenfield town | Hillsborough town | |
| Lyndeborough town | | New Boston town | Sharon town | |
| Temple town | | Windsor town | | |
| MERRIMACK COUNTY (part) towns of | | Andover town | Bow town | |
| Bradford town | | Canterbury town | Concord city | |
| Danbury town | | Dunbarton town | Franklin city | |
| Henniker town | | Hill town | Loudon town | |
| Newbury town | | New London town | Pembroke town | |
| Pittsfield town | | Salisbury town | Warner town | |
| Webster town | | Wilmot town | | |
| ROCKINGHAM COUNTY (part) towns of | | Deerfield town | Nottingham town | |
| STRAFFORD COUNTY (part) towns of | | Middleton town | Stafford town | |

Nonmetropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on nonmetropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) NONMETROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | Nonmetropolitan Counties or County Equivalents | | |
|--------------------------------|--|---------------------------|-----------------|
| New Mexico | Chaves County | Grant County | |
| | McKinley County | Mora County | |
| | San Miguel County | Taos County | |
| New York | Cortland County | Greene County | |
| | Tompkins County | Ulster County | |
| North Carolina | Avery County | Chowan County | |
| | Gates County | Haywood County | |
| | Jackson County | Jones County | |
| | Mitchell County | Pasquotank County | |
| | Scotland County | Tyrrell County | |
| | Hughes County | Muskegee County | |
| Oklahoma | Clatsop County | Coos County | |
| | Deschutes County | Douglas County | |
| Oregon | Hood River County | Josephine County | |
| | Morrow County | Tillamook County | |
| | Monroe County | Wayne County | |
| Pennsylvania | NEWPORT COUNTY (part) towns of | Middletown | |
| Rhode Island | Beaufort County | Newport city | |
| South Carolina | Bedford County | Polk County | |
| Tennessee | Anderson County | Angelina County [GO Zone] | |
| | Camp County | Coke County | |
| | Dallam County | Eastland County | |
| | Gillespie County | Houston County | |
| | Kerr County | Kleberg County | |
| | Llano County | Madison County | |
| | Mills County | Montague County | |
| | Navarro County | Newton County [GO Zone] | |
| | Red River County | Robertson County | |
| | San Jacinto County [GO Zone] | San Saba County | |
| | Trinity County [GO Zone] | Tyler County [GO Zone] | |
| | Beaver County | Cache County | |
| | Millard County | Plute County | |
| | Sevier County | Summit County | |
| | Wayne County | | |
| | Texas | Brown County | Comanche County |
| | | Frio County | Kendall County |
| Leon County | | Medina County | |
| Nacogdoches County [GO Zone] | | Polk County [GO Zone] | |
| San Augustine County [GO Zone] | | Titus County | |
| Aransas County | | Coleman County | |
| Erath County | | Jasper County [GO Zone] | |
| Lamar County | | Marion County | |
| Morris County | | Palo Pinto County | |
| Sabine County [GO Zone] | | Shelby County [GO Zone] | |
| Walker County [GO Zone] | | Garfield County | |
| Rich County | | Wasatch County | |
| Sanpatete County | | Washington County | |
| Portsmouth town | | | |
| Utah | | | |

Nonmetropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on nonmetropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.

2006 IRS SECTION 42(d)(5)(C) NONMETROPOLITAN DIFFICULT DEVELOPMENT AREAS (MSA/PMSA DEFINITIONS June 30, 1999)

| State | | Nonmetropolitan Counties or County Equivalents | |
|---------------------------------|--|---|---|
| Vermont | Addison County | Bennington County | |
| | FRANKLIN COUNTY (part) towns of Fairfield town Montgomery town | Bakersfield town Fletcher town Richford town | Berkshire town Franklin town Sheldon town |
| | GRAND ISLE COUNTY (part) towns of Windham County | Alburg town | North Hero town |
| | | | |
| Virginia | Louisa County | Northampton County | Westmoreland County |
| Washington | Galliam County | Douglas County | Grays Harbor County |
| | Kittitas County | Klickitat County | Lewis County |
| | San Juan County | Skagit County | Skamania County |
| | Cathoun County | Clay County | Doddridge County |
| West Virginia | Pendleton County | Preston County | Grant County |
| | Wirt County | | Taylor County |
| Wyoming | Teton County | | |
| American Samoa | Eastern District | Manu'a District | |
| | Guam | | Swains Island |
| Northern Mariana Islands | Northern Islands Municipality | Rota Municipality | Saipan Municipality |
| | Adjuntas Municipio | Albonito Municipio | Arroyo Municipio |
| Puerto Rico | Ciales Municipio | Coamo Municipio | Culebra Municipio |
| | Guayama Municipio | Isabela Municipio | Jayuya Municipio |
| | Lares Municipio | Las Marias Municipio | Maricao Municipio |
| | Orocovis Municipio | Patillas Municipio | Quebradillas Municipio |
| | Salinas Municipio | San Sebastian Municipio | Santa Isabel Municipio |
| | Vieques Municipio | | |
| | St. Croix | St. John | St. Thomas |
| | | | |
| Virgin Islands | | | |
| | | | |

Nonmetropolitan DDAs labeled "[GO Zone]" are designated under the Gulf Opportunity Zone Act of 2005. Their populations do not count against the 20 percent population cap on nonmetropolitan areas designated DDAs by reason of high construction, land, and utility costs relative to AMGI.