



Opportunity Zones Bring Opportunities With Less Regulation

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide with less regulation than found in other similar programs, such as New Market Tax Credits and Low-Income Housing Tax Credit Programs. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory.

By law, governors nominated up to 25% of their state's qualified census tracts for inclusion – or, if the state has fewer than 100 such tracts, up to 25 tracts. Up to 5% of the state's 25% can be non-low-income tracts eligible based on contiguity.

Major Benefits

- Investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund.
- If the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in basis equal to the fair market value of the investment on the date that the investment is sold or exchanged.

An Opportunity Fund can be any investment vehicle organized as a corporation or partnership for the purpose of investing in Qualified Opportunity Zone Property (other than another QOF). All you need to do is invest in a Qualified Opportunity Fund to get the tax benefits, even if you don't live, work or have a business in an Opportunity Zone.

If you have any future capital gain, property or development projects which may benefit from the Opportunity Zones program or would like more information please contact Adam R. Sanders at asanders@rosenbergestis.com or at 212-551-1275.



Adam R. Sanders
Member

To learn more about Mr. Sanders' practice [please click](#) here to view his attorney profile.

Phone: (212) 551-1275
asanders@rosenbergestis.com