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The “Opportunity Zone” Program – Moving Forward

The 2017 tax reform legislation created a new federal subsidy for investment in low-income communities, known as the “Opportunity Zone” program. (We previously covered it on the blog here.) The program allows taxpayers to defer gain from the sale of assets by investing the proceeds into an “Opportunity Fund,” which is a fund that invests in low-income communities that have been designated as “opportunity zones.”

A few weeks after Congress enacted the program, our colleague Steve Mount wrote a complete analysis of the legislative provisions. Steve has written another piece for *Bloomberg’s Tax Management Real Estate Journal*, tackling the questions about the program that linger. As Steve describes, three things need to happen to get the Opportunity Zone program going: (1) each state (and the District of Columbia and certain territories) needed to nominate O Zones within their jurisdictions and have them certified by the Treasury Department; (2) Treasury needed to promulgate rules on how to certify an O Fund; and (3) the IRS needed to issue guidance on several of the basic requirements of the Opportunity Zone statute. We’ve gotten (1) and (2), but we await (3). Steve’s piece follows a very helpful Q&A format. Read it here.

By Johnny Hutchinson on July 3, 2018

The Public Finance Tax Blog

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