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Senators, House Members Request Clarity from Treasury on OZ Issues.

Seven U.S. senators and nine members of the House of Representatives – all original co-sponsors of the Investing in Opportunity Act, the forerunner of the opportunity zones (OZ) incentive – sent a letter Thursday to Treasury Secretary Steven Mnuchin, calling for further clarity on several issues related to the OZ regulations. Among other things, the letter asks Treasury to remove the requirement that an OZ business derive 50 percent of its gross income from active conduct of a trade or business in the qualified OZ, but simply require that it derive at least 50 percent of total gross income from the active conduct of its trade or business. The letter also seeks more timing flexibility for opportunity funds to make investments; says fund-level activity should not disallow the tax benefit to opportunity fund investors who don't take distributions from the fund or sell their interest before the 10-year holding period, regardless of whether there is "churn" in the opportunity fund's investments; and asks that future regulations include reasonable reporting requirements.

Learn more about OZs at the Novogradac 2019 Opportunity Zones Spring Conference, April 25-26 in Denver.

Friday, January 25, 2019

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