Treasury Offers New Guidance on Opportunity Zones.

The Treasury Department on Wednesday released a second set of guidance on the "opportunity zone" program created by President Trump's tax law, the same day the White House held an event to tout the program.

Under the program, individuals and businesses can receive capital gains tax breaks if they invest in economically distressed communities that have been designated as opportunity zones. The new guidance is designed to provide flexibility for investors and funds that invest in the zones, as well as certainty for stakeholders, a senior Treasury official said.

"We are pleased to issue guidance that provides greater flexibility for communities and investors as we continue to encourage investment and development in Opportunity Zones," Treasury Secretary Steven Mnuchin said in a statement. "This incentive will foster economic revitalization, create jobs and spur economic growth that will move these communities forward and create a brighter future."

The opportunity zone portion of the 2017 GOP tax law is one of the pieces of the law that the White House has touted the most.

The White House held an event Wednesday on opportunity zones with state and local government officials where Trump, Mnuchin and Housing and Urban Development Secretary Ben Carson spoke. That event comes two days after Trump went to Minnesota to tout the opportunity zones and other portions of his 2017 tax law on the tax-filing deadline.

"It's really a crucial part of our new tax law to help low-income Americans," Trump said of opportunity zones on Wednesday.

The opportunity-zone program has bipartisan support from those who hope it will revitalize distressed areas, but has also drawn criticism from those who argue it will primarily benefit wealthy investors rather than residents of low-income neighborhoods.

Treasury released a first set of guidance on opportunity zones in October, aimed at providing investors with the information they needed to set up business arrangements in the zones. The guidance released Wednesday was designed to answer questions that stakeholders have raised and provide clarity.

A key portion of the second batch of proposed rules is designed to make it easier for funds to ensure that they are complying with a requirement that they have 90 percent of their assets invested in opportunity zones.

The rules provide that a fund doesn't have to take assets into account for purposes of the requirement unless the assets have been in the fund for at least six months. They also provide that if a fund sells an asset, it has up to 12 months to reinvest in a new appropriate investment, according to senior Treasury officials.

The proposed rules also are designed to provide more clarity for individuals and businesses who invest in opportunity funds. They provide that someone can invest in an opportunity fund by either directly investing in the fund or by purchasing an interest in the fund from an existing investor. They also provide that if an investor has held an investment in an opportunity zone fund for at least 10 years and the fund sells an asset, the gain from the sale of the asset is tax-free to the investor, officials said.

In addition to offering more proposed rules on Wednesday, Treasury released a document asking for comments about how to best measure the economic impact taking place in the opportunity zones.

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