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Tax Reform's New Incentives For Investments In Low-Income Communities: Part 1

HIGHLIGHTS:

- A new tax incentive in the recently enacted Tax Cuts and Jobs Act would allow investors selling appreciated securities or other investment property to defer tax on those gains to the extent that the proceeds are reinvested in an Opportunity Zone Fund. Further tax incentives would allow for exclusion of both some of the deferred gain and any post acquisition gain if the Fund is held long enough.
- Each of the 50 states and the District of Columbia (as well as U.S. possessions) will have an opportunity to nominate a minimum of 25 Opportunity Zones located within the state, district or territory.
- Eligible zones must generally must be nominated by the governor of a state within a 90-day period starting on the Act's date of enactment (by approximately March 22, 2018, unless a 30-day extension is applied for and granted).

Continue reading.

Article by Kathleen M. Nilles and Kristin A. DeKuiper

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