
Opportunity Zones – Driving Community Development Finance Through Equity Investments.

Now that most Opportunity Zones have been designated, we thought it would be good to provide some insight on the basics of Opportunity Zones and how this tax incentive could be used to spur investment into low-income and underserved communities across the country. How should local communities with Opportunity Zones begin the important work of identifying potential investments and attracting investors? We review the basics in this post from the Council of Development Finance Agencies.

Overview
Created as part of the Tax Cuts and Jobs Act, Opportunity Zones are a federal economic development tool aimed at improving the outcomes of distressed communities around the country. Opportunity Zones are low-income census tracts that offer tax incentives to investors who invest and hold their capital gains in Opportunity Funds. These Opportunity Funds must invest at least 90% of their assets in qualified investments located in Opportunity Zones. Investors in Opportunity Funds receive a temporary deferral on their capital gains taxes if they hold their investments for at least 5 years, and a permanent exclusion from a tax on capital gains from the Opportunity Zones investments if the investments are held for 10 years.

Continue reading.

Smart Incentives

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