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IRS Cancels Meeting on Opportunity Zones Rules Due to Shutdown.

Those interested in the economic development program have been closely tracking the guidelines.

Citing the partial federal government shutdown, the Treasury Department on Monday cancelled a hearing scheduled for later this week on rules for the Opportunity Zones program.

The department said a new date for the postponed Jan. 10 meeting would be set once its appropriations are restored. Treasury released proposed rules for the economic development initiative in October.

Investors and others were eager for Treasury to issue guidelines for the program so that more investments could start to flow through it.

While the current proposed regulations provided substantial insights into how the program would work, they also left some key questions about it unanswered. And dozens of written comments offering feedback on the rules, from parties ranging from nonprofits to investment firms, have been submitted in recent weeks.

On Tuesday, the partial government shutdown was in its 18th day, with Democratic lawmakers and President Trump unable to break an impasse over the president's demands for billions of dollars to build a wall on the nation's southern border with Mexico.

Created by the sprawling 2017 federal tax overhaul, the Opportunity Zones program offers tax breaks to investors who funnel capital gains into special funds that are supposed to invest the money into eligible census tracts that are economically distressed—the "zones."

When the Treasury Department released the draft rules last October, the department said it anticipated issuing a second round of guidance before the end of the year.

But, as of Tuesday, the White House Office of Information and Regulatory Affairs had not publicly reported that any additional Opportunity Zones rules were under review.

Dec. 28 was the deadline for written comments on the draft rules released in October.

The online federal docket for the regulations shows that at least 145 comments had been received.

One group that submitted feedback is the Florida Housing Coalition. The nonprofit suggested Treasury set performance measures and reporting requirements for the program, and that it should take steps to prevent "predatory or speculative" purchases of vacant land.

Another example of the comments is from Ovation Partners, an investment adviser that manages more than $500 million of assets. The firm is seeking greater clarity on timing requirements for

investing gains from partnerships into the funds that can invest in the zones.

Treasury says the new date for a hearing on the proposed rules will be set no earlier than two weeks from the date a notice announcing it is published in the Federal Register. This week’s meeting was going to be held at an IRS building in Washington, D.C.

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