

Opportunity Zones

Enacted in 2017, the Tax Cuts and Jobs Act included the new Opportunity Zone program. The program is designed to drive economic development in low-income areas by offering substantial tax incentives to investors for providing capital to fund real estate projects and businesses in such “Opportunity Zones.”

Under the program, individuals and other entities can delay paying federal income tax on capital gains until as late as December 31, 2026 if those gains are invested in “Opportunity Zone Funds” that invest at least 90% of their assets in businesses or real estate located in an Opportunity Zones. In addition, the gains on investments in Opportunity Zone Funds can be eligible for a 100% federal income tax exclusion if the investment is held for at least 10 years.

The tax act, including the Opportunity Zone program, advanced through Congress quickly, leaving certain details and contours of the program unanswered and requiring further definition by the U.S. Department of the Treasury and U.S. Congress. An initial round of regulations were proposed by the Treasury in October of 2018, and, while the proposed regulations answered several important questions, significant questions remain. A second round of regulations are expected in early 2019 that we hope address many of the remaining questions.

Manning Fulton has established a team of experienced attorneys to provide the full spectrum of practice services needed to provide coordinated direction on the Opportunity Zone program to fund sponsors, entrepreneurs, real estate developers and investors. The team of attorneys leverage their knowledge of tax, finance, real estate, securities and corporate law to advise clients on navigating the legal and regulatory hurdles with investing in, implementing and operating Opportunity Zone Funds.

For more information about this service,
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