

## Opportunity Zones

The *2017 Tax Cuts and Jobs Act* created a tax benefit program to incentivize investment in opportunity zones, which are certain designated low-income census tracts located in every state.

Under the opportunity zone rules, an investor can defer capital gain generated from other sources by investing that gain in a qualified opportunity fund. A portion of that deferred gain can be permanently excluded if the investor holds his or her interest in the fund for a required period of time. And the most tantalizing benefit is that an investor who holds the fund interest for at least 10 years can generally exclude all additional appreciation from taxation.

Obtaining these benefits requires compliance with a complex set of rules that governs the type of gain that can be deferred, the investment of gain in a qualified opportunity fund, and the structure and operations of a qualified opportunity fund (including the fund's activities in an opportunity zone).

We apply these rules for all types of clients who might benefit from opportunity zones, such as

- Real estate developers with properties in opportunity zones that are looking for a lower cost of capital (by providing tax benefits to investors);
- Private equity funds that deploy investors' invested gains into qualifying assets;
- Individuals and businesses who seek an attractive investment to shelter gains; and
- Clients who have both ingredients—capital gains and identified assets in opportunity zones—necessary to obtain the tax benefits on their own.

We have the expertise and resources to help. Not only do we chart your course to obtaining these benefits, but we are also a full-service firm with Tax, Environmental, Real Estate, Corporate, and specialty groups that can execute every aspect of an opportunity zone investment. We ensure timely and thorough responses. Every aspect of your transaction will be seamless, from beginning to end and on into the future.

Contact us to learn more about how you can benefit from participating in an opportunity zone investment.