

Opportunity Zones

8,700 Opportunity Zones across the United States

Nominated by Governors in early 2018. All Opportunity Zones designated by the U.S. Department of the Treasury as of June 2018.

Opportunity Zones are low-income census tracts eligible for investment from Opportunity Funds.

Source: Economic Innovation Group



Opportunity Zones

Approximately 35 million people live in Opportunity Zones

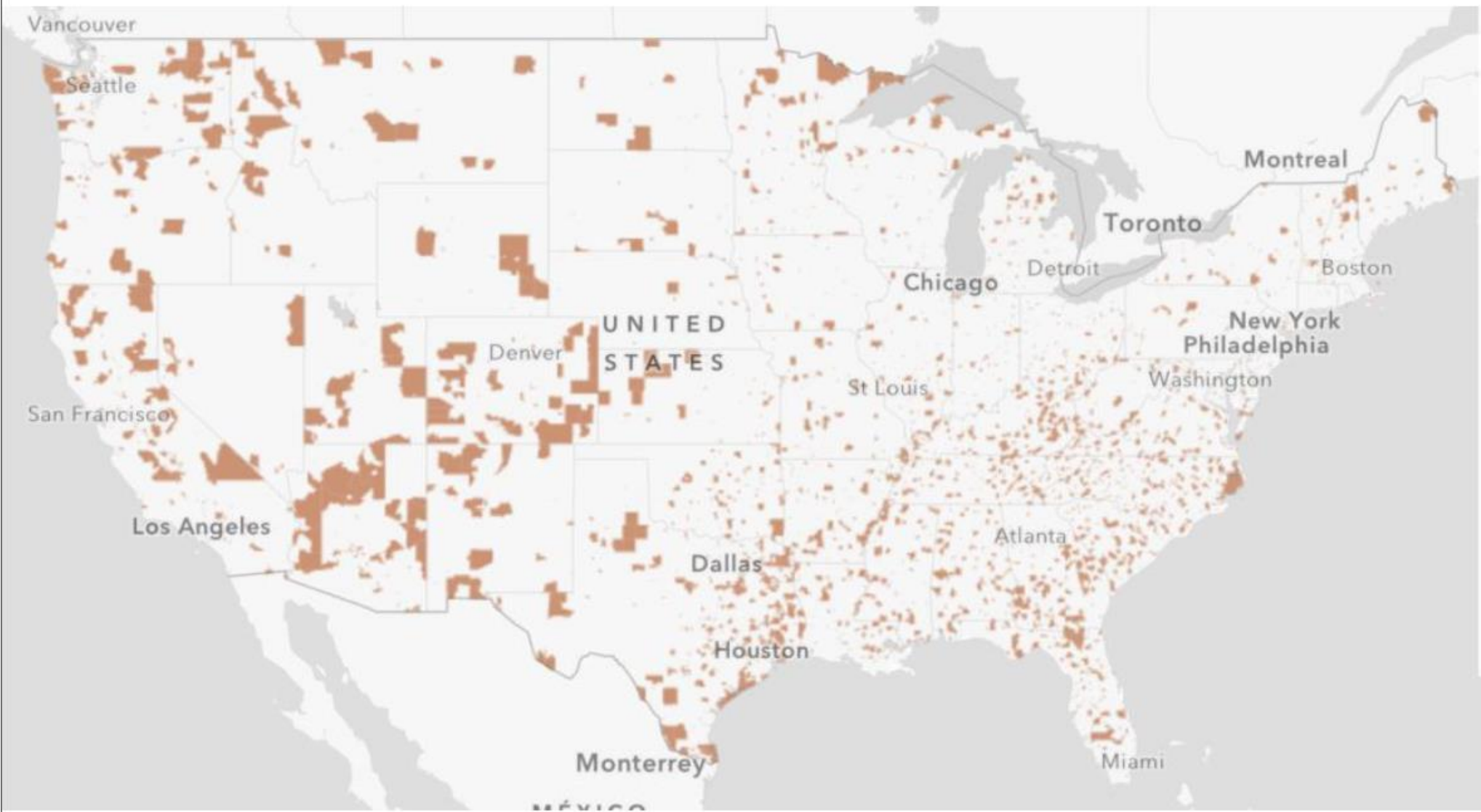
56% of those residents are minorities

294 Zones are tribal lands

76% are in metropolitan areas

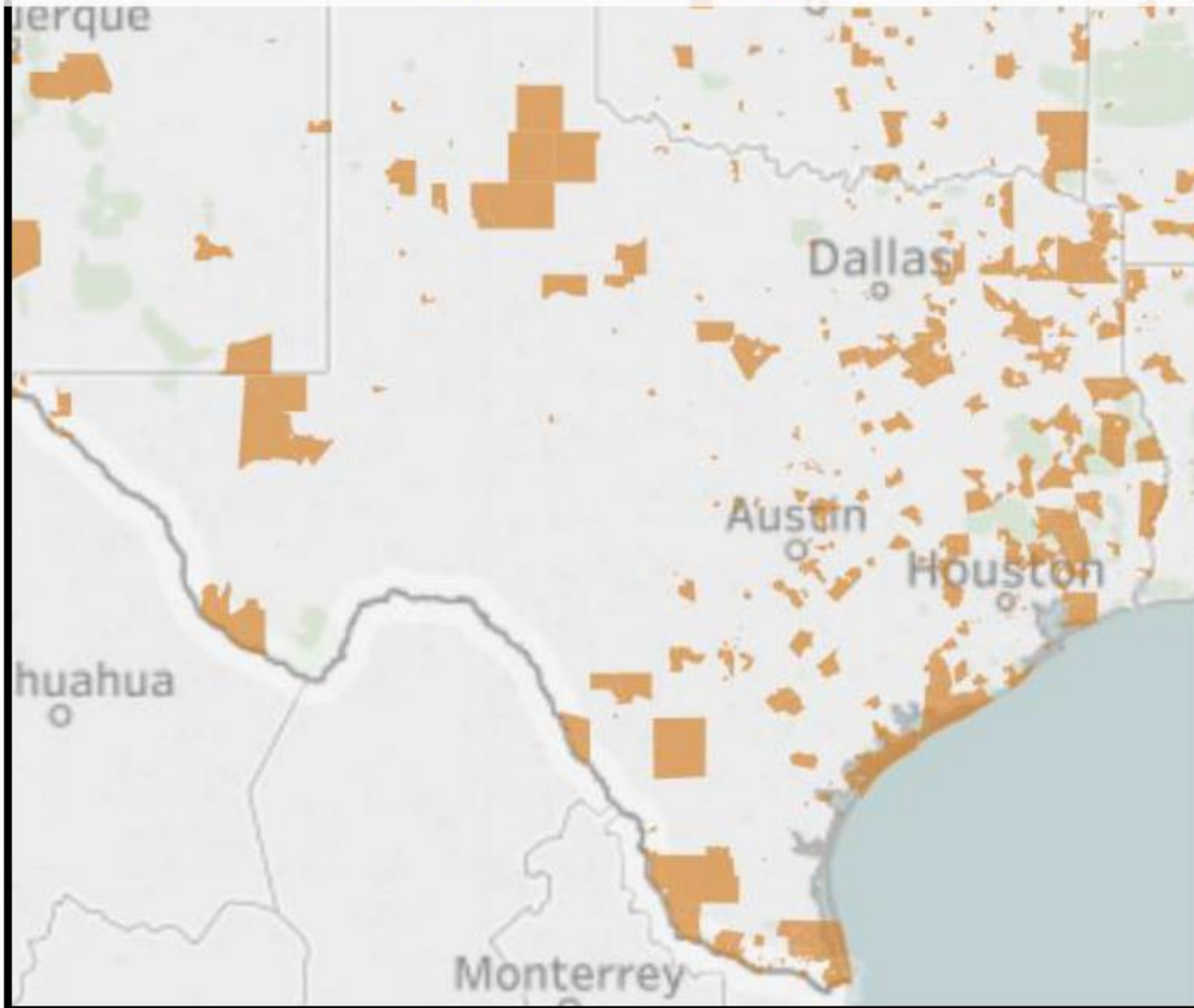
Source: Economic Innovation Group





Source: Economic Innovation Group: www.eig.org

Texas Opportunity Zones



Source: Opportunity 360 from Enterprise Community Partners

Opportunity Funds

Opportunity Funds can help tap into the estimated \$6 trillion market for unrealized capital gains.

Two main incentives for investors:

1. Defer taxes owed on federal capital gains taxes by moving them into an Opportunity Fund. If invested for 5 years, receive a 10% reduction in the tax. If invested for 7 years or more, receive a 15% reduction in the tax.
2. For investments held for 10 years, any earnings realized by an Opportunity Fund are not subject to federal capital gains taxes.

The theory is that a successful Opportunity Fund will earn enough over the 10 year period to pay off the original capital gains taxes owed and have enough remaining to realize the tax free earnings.



Opportunity Funds

Opportunity Funds must make equity investments.

Investors can capitalize Opportunity Funds using gains realized within 180 days of a sale. No limit on size of funds, number of funds, or how many Opportunity Zones the fund invests in.

Opportunity Funds must invest at least 90% of their assets in qualified investments located in Opportunity Zones.

Opportunity Funds can make equity investments in qualified businesses or real estate projects.

Opportunity Fund investors are seeking responsible exit solutions in order to realize the tax free earnings after the 10 year period.

