

OPPORTUNITY ZONES 101

WHAT ARE OPPORTUNITY ZONES (OZ)?



Tax Cuts and
Jobs Act 2017



Create tax
incentives on
capital gains
invested in OZs



OZs are
state selected
census tracts



Economic
development
for targeted
communities

REQUIREMENTS OF AN OZ FUND

90% OF FUNDS USED IN
QUALIFIED OZ

EXISTING BUSINESSES
MUST DOUBLE
INVESTMENTS +\$1

NO "SIN" BUSINESSES

Examples: massage parlor,
hot tub or suntan facility,
racetrack or other gambling,
and sale of alcohol for off
premise consumption.

3 TYPES OF TAX ADVANTAGES

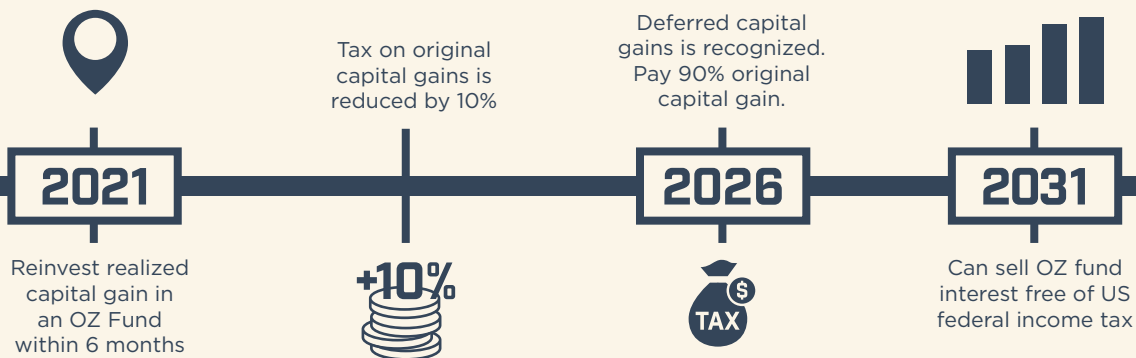
1. Defer gain temporarily from sale or exchange of an asset
2. Reduce deferred gain permanently (10% after 5 yrs, 15% after 7 yrs)
3. Exclude gain from sale or exchange of QOF investment permanently after 10 yrs

Subject to certain rules and regulations, these benefits are available for leasing space in QOZs.



INVEST UNREALIZED
CAPITAL GAINS INTO
OPPORTUNITY FUNDS

TIMELINE OF BENEFITS



Opportunity funds can be used and created anytime before 2027 to receive capital gains tax deferment.

EAST RIVER

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