

What is the Opportunity Zones Program?

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory. Opportunity Zones were added to the tax code by the Tax Cuts and Jobs Act on December 22, 2017. Opportunity Zone markets in Miami-Dade County were nominated by the governor, and certified by the U.S. treasury on June 24, 2018. There are 67 Opportunity Zones in Miami-Dade County.

What are the benefits of the Opportunity Zones Program?

Opportunity Zones are an economic development tool—that is, they are designed to spur economic development and job creation in distressed communities; by providing tax benefits to investors.

- First, investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund. If held for the full ten years, the tax reduction is 15%.
- Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in basis equal to the fair market value of the investment on the date that the investment is sold or exchanged.

Who will want to take advantage of the Opportunity Zones Program?

Investors, such as businesses, developers and financial institutions that invest in targeted areas can defer capital gains taxes through investments in federally established Opportunity Funds.

I am interested in investing. Is there a list of Opportunity Zones available?

Yes. The map with the certified list of Opportunity Zones in Miami-Dade County can be found on-line at ([click here](#)).

What is a Qualified Opportunity Fund?

A Qualified Opportunity Fund is an investment vehicle that is set up as either a partnership or corporation for investing in eligible property that is located in an Opportunity Zone and that utilizes the investor's gains from a prior investment for funding the Opportunity Fund.

How does a taxpayer become certified as a Qualified Opportunity Fund?

To become a Qualified Opportunity Fund, an eligible taxpayer self-certifies. (Thus, no approval or action by the IRS is required.) To self-certify, a taxpayer merely completes a form (which will be released in the summer of 2018) and attaches that form to the taxpayer's federal income tax return for the taxable year. (The return must be filed timely, taking extensions into account.)

How can I get more information about Opportunity Zones?

Over the next few months, the Treasury Department and the Internal Revenue Service will be providing further details, including additional legal guidance, on this new incentive. More information will be available at [Treasury.gov](#), [IRS.gov](#)., and on the Miami-Dade Beacon Council website. To view the latest proposed regulations, released in October 2018 ([click here](#)).

Additional Resources:

Economic Innovation Group: [EIG Opportunity Zones](#)

Enterprise Community Partners: [Enterprise Community - Focus Opportunity Zone Program](#)

National Development Council: [NDC Online - Unpacking the Investment in Opportunity Act](#)

Opportunity Zone Eligibility Tool: [Enterprise Community - Opportunity360](#)

Department of Treasury Opportunity Zone Resources: [CDFI Fund - Opportunity Zones](#)

Source: IRS, February 2018 & Feb 2019 / Economic Innovation Group, June 27, 2018