



Opportunity Zones

Opportunity Zones is a new tax incentive catalyzing private equity investments in real estate ventures and businesses located within the designated low-income distressed communities.

INVESTOR OVERVIEW

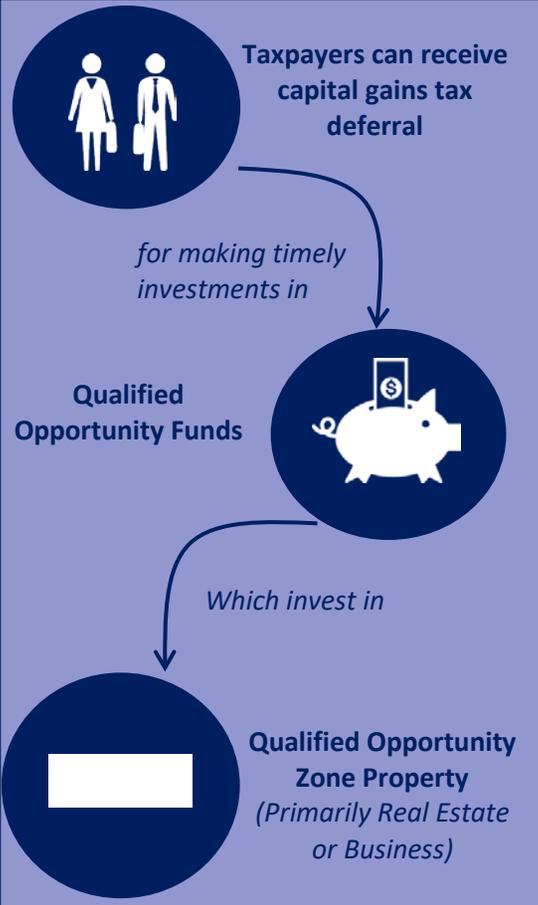
Taxpayer Benefits:

- 1. Temporary deferral of capital gains** until December 31, 2026
- 2. Permanent exclusion of up to 15% of deferred gain**
 - 10% if held for 5 years
 - 15% if held for 7 years
- 3. Permanent exclusion of future gains:** if investment is held for ten years

OZ Fund Timeline Constraints:

- Taxpayer has **180 days** to move gain into the OZ fund
- Fund must be **90% deployed** into QOZP **6 months after** it takes in capital
 - Safe harbor for reasonable working capital

HOW DO OPPORTUNITY ZONES WORK?



BUSINESS OVERVIEW

Primary Benefit for businesses is easier access to equity capital

Equity = selling a percentage of the business to an investor in return for capital.

Business Regulations:

- **50% of gross income** derives from active conduct of trade or business in the zone based off of:
 - Employee hours
 - Payment for services
 - Conjunctive (assets & operations)
- Substantially all (70%) of tangible property owned or leased is QOZBP
- Reasonable working capital allowed
 - If there is a written plan to be deployed within **31 months**
- No listed sin businesses (e.g. casino, liquor stores, tanning salons)



Opportunity Zones: Are they right for your business?

