

Opportunity Zones and Opportunity Funds

2 Tax Code Provisions

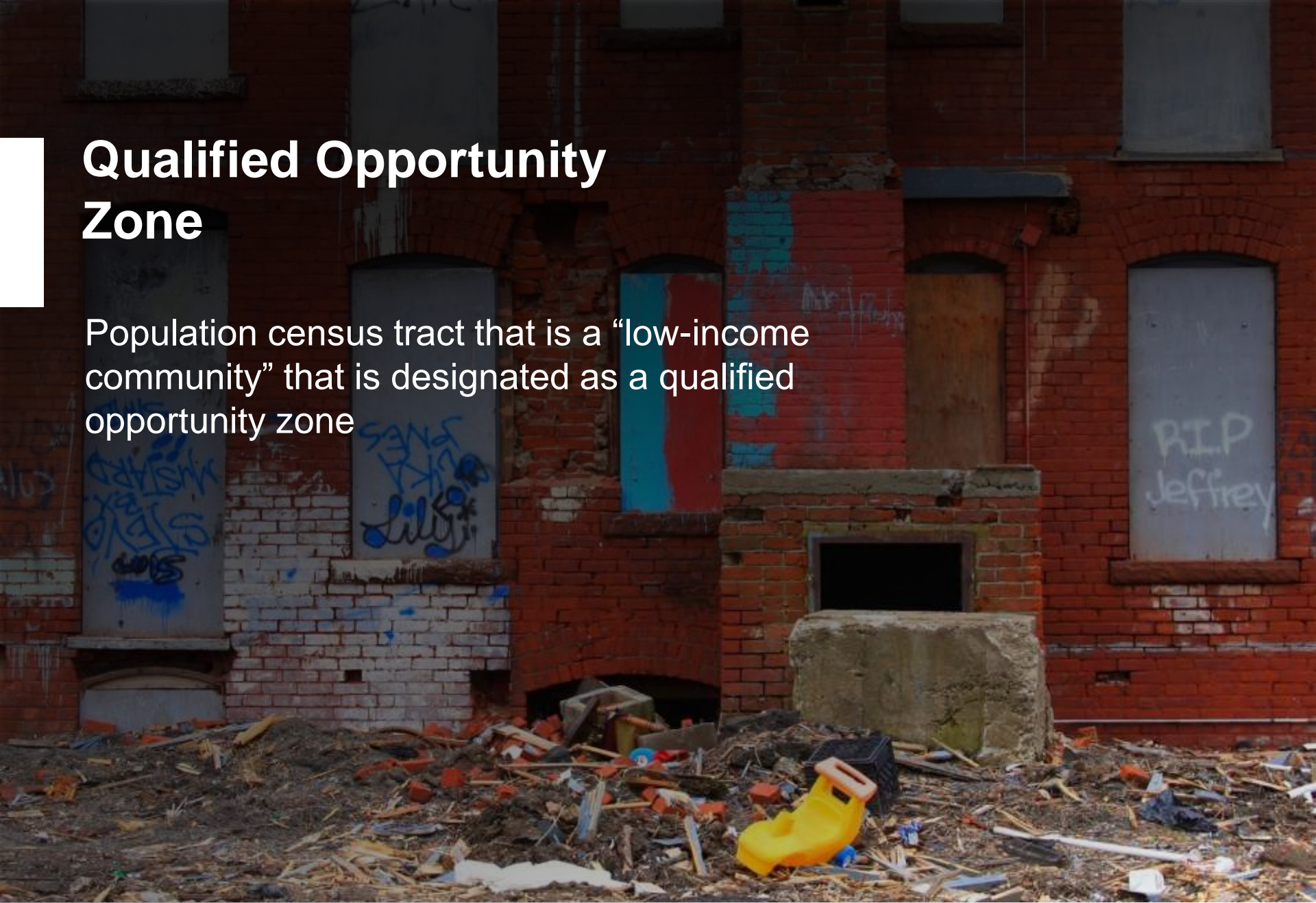
The Two Provisions Work In Tandem

1. Qualified Opportunity Zone
2. Qualified Opportunity Fund



Qualified Opportunity Zone

Population census tract that is a “low-income community” that is designated as a qualified opportunity zone



Qualified Opportunity Fund

Any Investment Vehicle Which Is:

- Organized as a corporation or a partnership
- For the purpose of investing in qualified opportunity zone property (other than another qualified opportunity fund)



Qualified Opportunity Fund

- Holds at least 90 percent of its assets in Qualified Opportunity Zone property
- Test: The average of the percentage of Qualified Opportunity Zone property held in the fund as measured:
 - A. On the last day of the first 6-month period of the taxable year of the fund,
- and -
 - B. On the last day of the taxable year of the fund



“The Tax Breaks”

- Taxpayers may defer recognition of capital gains if corresponding amounts are invested in a Qualified Opportunity Fund within 180 days of the sale or exchange
- Post-acquisition gains on investments in a Qualified Opportunity Fund may be excluded from income to the extent the investment is held at least 10 years.

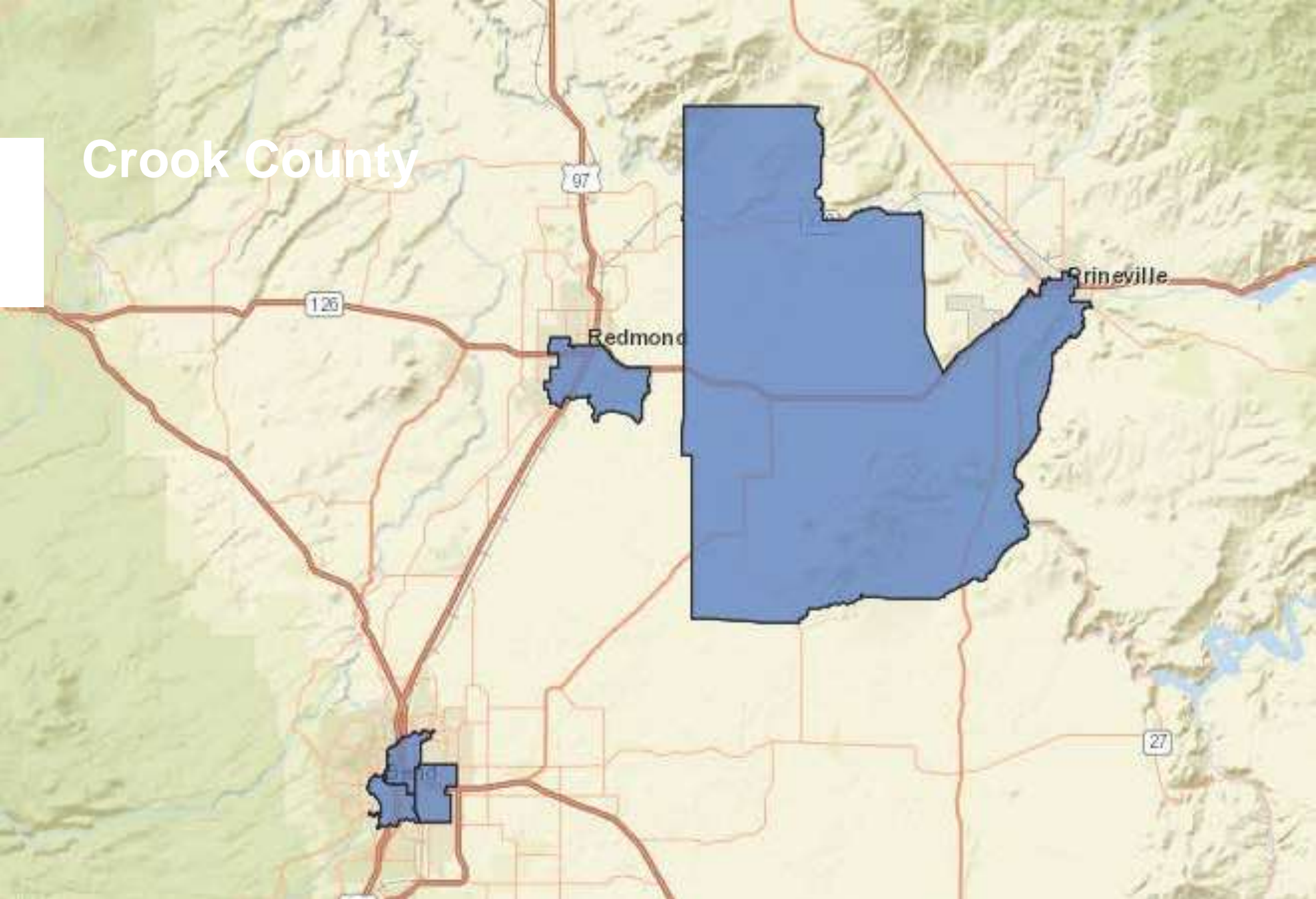
Taxpayer may elect to step-up (“increase”) the basis to the investment’s fair market value at the time of the sale

The Zones

This is NOT a
Regulatory
Restriction

- An area designated within 90 days of the Tax Cuts Act (State's Governor presents to the Secretary of the US Treasury)
- A population census tract that is a low-income community

Crook County





Thank you!
Questions?

Jeff S. Patterson

Shareholder – Real Estate and Construction Industry Group



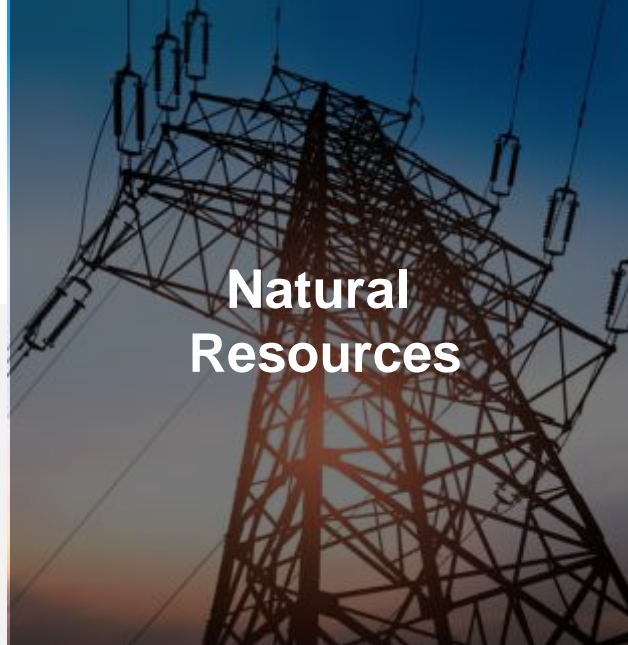
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Jeff Patterson assists clients with all aspects of estate planning, charitable planning, business and real estate transactions as well as probate and trust administration. He frequently provides training for CPAs, tax consultants, financial advisors, insurance professionals and real estate agents on a wide range of tax and estate planning topics.

Jeff is a 2002 graduate of Lewis & Clark Law School and also holds Music Performance degrees from the University of Houston and the Eastman School of Music. He played trumpet in the Rochester Philharmonic and several other orchestras and bands before finding a love for the law and helping families plan for their immediate and long-term futures.



Healthcare



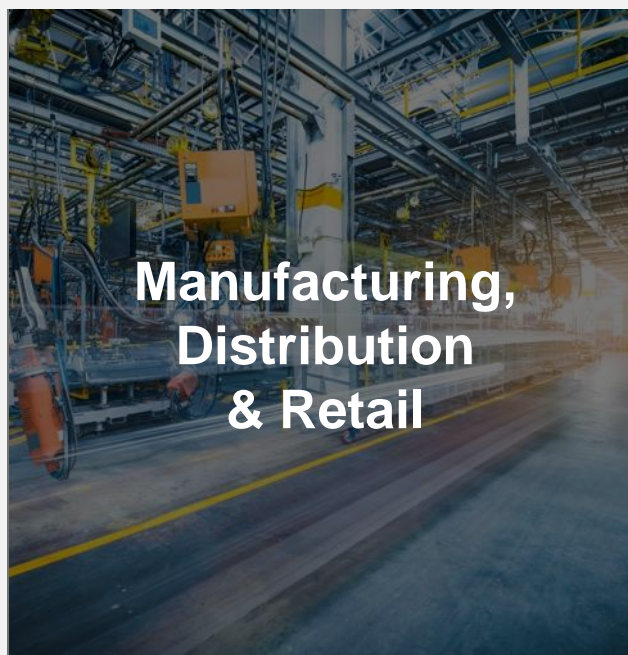
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