

FOR IMMEDIATE RELEASE

04.23.2018

Governor Hutchinson names 85 Opportunity Zones

Federal program encourages long-term investment in low-income areas

LITTLE ROCK – Governor Asa Hutchinson has nominated 85 Opportunity Zones in Arkansas to the U.S. Treasury Department, which will provide final approval. Established by Congress in the Tax Cuts and Jobs Act of 2017, Opportunity Zones provide tax incentives for private investment in low-income communities nationwide.

A list of nominated zones can be found [HERE](#), and a map of nominated zones can be found [HERE](#).

A qualified Opportunity Fund is any investment vehicle organized as a corporation or partnership with the specific purpose of investing in Opportunity Zone assets. The fund must hold at least 90 percent of its assets in qualifying property. The U.S. Treasury must certify new Opportunity Funds and is responsible for prescribing regulations regarding certification.

“I’m excited about the potential investment that will be encouraged in low-economic areas of our state,” Governor Hutchinson said. “One of my goals as governor from day one has been to increase economic opportunities for all Arkansans. By investing in these high-potential areas, we will be able to breathe new life into communities and ensure our state remains economically diverse and healthy.”

Eligible zones are based on U.S. Census tracts, and governors of each state may nominate up to 25 percent of eligible tracts for approval. Benefits for investors include a temporary tax deferral for capital gains, a step-up basis for capital gains invested, and a permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in a qualified opportunity zone fund if the investment is held for at least 10 years.

Arkansas has 337 qualified tracts, and Arkansas Economic Development Commission (AEDC) officials said those nominated were chosen based on their potential for economic success and ability to attract investment.

“We will work closely with communities to find the right investment opportunities,” said AEDC Executive Director Mike Preston, “that will create jobs to suit their workforce and local economic development efforts.”

In the next few months, the Treasury Department will approve a total of approximately 8,700 Opportunity Zones nationwide. It is estimated that potential capital eligible for reinvestment in the zones will total \$6.1 trillion.

For more information on Opportunity Zones, including a nationwide map, visit [HERE](#). For an overview of Opportunity Zones, visit [HERE](#).

CONTACT: Press Shop (press@governor.arkansas.gov or 501.682.3642)