



Opportunity Zones
October 3rd 2018

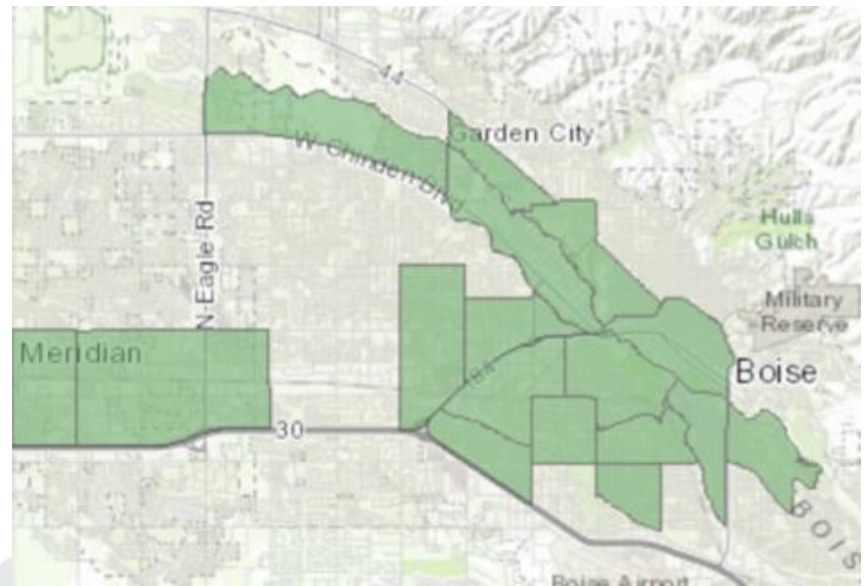
What is an Opportunity Zone?

- Opportunity Zones are New Market Tax Credit Eligible Census Tracts designated by the State.
- Each state was allowed to designate 25% of their eligible census tracts for the program.
- Investor Benefits ...
 - Deferred Capital Gains Taxes.
 - Capital Gains Tax Reductions
 - Appreciation Exclusion
- Tax Cuts and Jobs Act of 2017.



Opportunity Zone Designation

- State issued an RFP for nominations. 59 Request for 28 spots.
- Governor's Economic Advisory Council vetted proposals and made recommendations to Governor Otter.
- https://www.cims.cdfifund.gov/reparation/default.aspx?config=config_nmtc.xml



Opportunity Funds

- Must be organized as a corporation or partnership.
- Must be certified by the U.S. Treasury (self certification).
- 90% of the Opportunity Fund's assets must be invested in an Opportunity Zone or Opportunity Zones.
- Investments may include stocks, partnership interest or real estate(substantial rehabilitation requirement).

Opportunity Fund Benefits

Investment Length	Benefit Received
Fewer than 5 years	Deferred payment on existing capital gains taxes until the date the Opportunity Fund investment is sold.
5-7 Years	Deferral of capital gains + a 10% exclusion from capital gain taxes.
7-10 Years	Deferral of capital gains + an additional 5% (15% total) exclusion from capital gains.
10 Years or more	15% exclusion of the initial capital gain from taxes. No taxes on any gains earned on the Opportunity Fund Investment

1031 vs Opportunity Fund

	1031	Opportunity Fund
Rollover	180 Days From Sale	180 Days From Sale
Intermediary	Yes	No
Qualified Assets	Real Estate Only	Any Investment
Investment Structure	Real Estate Asset	Any Asset
Capital Gains Deferral	Indefinite	2027
Capital Gains Reduction	None except through step up basis on death	5 Years = 10% Exclusion 7 years = 15% Exclusion
Capital Gains on Final Sale	Owe on sale of asset	None if investment is held for held for 10 years or more

Opportunity Zone Forum

- October 10th 10 AM – Noon
- 1st Floor JR Williams Bldg. (Hall of Mirrors) 700 W State St, Boise
- Guest Speakers
 - ❖ Craig Nolte – Fed Reserve Bank SFO
 - ❖ Chuck DePew – Natl Dev Council
- <https://www.eventbrite.com/e/ida-ho-opportunity-zone-forum-registration-49964649612>

