



FAQS

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[Are Opportunity Zones the same as other programs like Empowerment Zones, Enterprise Zones, or Promise Zones?](#)

No. While Opportunity Zones may share some similarities with these earlier programs, this is a brand-new policy. The U.S. Department of the Treasury maintains a resource site for Opportunity Zones which can be accessed [here](#).

[Can the state list of OZs be re-designated?](#)

No.

The December 2017 tax bill that set up opportunity zones and opportunity funds does not include any possibility for changes after the Governor-nominated census tracts were confirmed by the U.S. Treasury. The list can be found [here](#).

The state is working with partners to develop best practices for investment strategies in zone-adjacent properties and neighborhoods.

[How can Opportunity Zones benefit my community?](#)

Opportunity Zones offer incentives for private investors to support underserved communities by allowing for deferral or elimination of federal capital gains taxes. Today, these unrealized capital gains are a significant untapped resource. Allowing capital gains to be reinvested in qualified Opportunity Zones can help to spur economic growth in the communities that need it most.

Among other things, Opportunity Funds can be used to finance new infrastructure and affordable housing, promote job growth, and support workforce development.

[How do I become certified as a Qualified Opportunity Fund?](#)

To become a Qualified Opportunity Fund, an eligible corporation or partnership self-certifies by filing Form 8996, Qualified Opportunity Fund, with its federal income tax return.

Early-release drafts of the [form](#) and [instructions](#) are posted, with final versions expected in December. The return with Form 8996 must be filed timely, taking extensions into account.

[How many Opportunity Zones are there in Kansas?](#)

The Department of Treasury has certified 74 census tracts in Kansas as Qualified Opportunity Zones.

[How were Kansas' Opportunity Zones selected?](#)

Zones Designated: The Governor was tasked with designating up to 25 percent of census tracts that either have poverty rates of at least 20 percent or median family incomes of no more than 80 percent of statewide or metropolitan area family income as Opportunity Zones by April 30, 2018.

Commerce reached out to communities to request Letters of Interest for designation as an opportunity zone. Commerce reviewed each submission and reviewed economic data on each census tract across Kansas.

Each submission was evaluated for both the need present in the community as well as the opportunity present to attract investment to those areas. After reviewing the submissions and analysis, Commerce made recommendations to the Governors Economic Growth Subcabinet for final selections.

Commerce worked with community leaders to communicate about the selection process and confirm the final nominations would best serve the interests of the local economy.

[What are Opportunity Zones?](#)

The U.S. Department of Treasury has officially certified Governor Jeff Colyer's nomination of 74 census tracts to be designated as Qualified Opportunity Zones and has designated those tracts as such.

The approved Opportunity Zones, a new economic development tool enacted by the Federal Tax Cuts and Jobs Act of 2017, will offer local citizens the opportunity to invest back into their communities and proactively be a part of the solution to problems such as population decline, lack of jobs, and crumbling infrastructure.

For the investor, the Opportunity Zone program offers tax incentives to citizens who re-invest their unrealized capital gains into Opportunity Funds dedicated to investing in designated census tracts.

[What is an 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. A Fund must hold at least 90% of its assets in qualifying property.

The policy enables funds to be responsive to the needs of different communities, allowing for investment in operating businesses, equipment, and real property. For example, funds can make equity investments in or purchase the stock of a company if substantially all of the company's tangible property is and remains located in an Opportunity Zone.

Funds can take interests in partnerships that meet the same criteria. Funds can also invest directly in qualifying property, such as real estate or infrastructure, if the property is used in the active conduct of a business and if either the original use of the property commences with the fund or the fund substantially improves the property. Treasury has yet to release guidance on the substantial improvement test. [Source: EIG]

The U.S. Treasury is still finalizing its rules to implement this new law and guide the Opportunity Funds.

[What is the State's role?](#)

The Governor's office has created an inter-agency working team to begin to work with communities and stakeholders to identify early investment opportunities and challenges in preparation for Opportunity Funds coming on the scene later this year and to facilitate equitable and sustainable development.

To learn more, [contact us](#).