

Frequently Asked Opportunity Zone Questions

Information About Opportunity Zone Locations

Where are the Opportunity Zones in Massachusetts?

To find the Opportunity Zones designated by the U.S. Treasury, please visit this website: https://www.cims.cdfifund.gov/preparation/?config=config_nmtc.xml. To view Opportunity Zone designations, click on the arrow at the right side of the screen to open the Layer menu, and ensure that Opportunity Zone Tract is the only option checked. Then zoom in on Massachusetts to view all designated zones in the Commonwealth, or zoom in on your community to determine street-level boundaries.

Program Summary:

The Opportunity Zone program, created by the federal Tax Cuts and Jobs Act of 2017. **The statute** provides federal tax benefits to investors who realize capital gains, and invest them within Opportunity Zones through Opportunity Funds.

In April, 2018, Governor Baker nominated 138 census tracts for Opportunity Zone designation, and in May, the U.S. Treasury certified these census tracts. Tax incentives can only be claimed for investments within these specific census tracts.

There are three incentives for investors, which accumulate over the life of the investment. All three are federal incentives, and are non-competitive, so all qualified investors may claim them.

1. **Temporary Deferral:** Investors may defer capital gains on income reinvested into Opportunity Funds. The deferred gain must be recognized when the investor exits the fund, or on Dec. 31, 2026, whichever comes earlier.
2. **Step-Up in Basis:** If the investor remains within an Opportunity Fund for at least 5 years, their tax liabilities related to the original capital gains are reduced by 10 percent. If the investment is held in the Opportunity Fund for 7 years, this increases by an additional 5 percent, meaning that investors can reduce capital gains liability by 15 percent total.
3. **Permanent Exclusion of Fund Gains:** If an investor keeps their investment in an Opportunity Fund for 10 years, any gains from the Opportunity Fund are exempt from taxation.

These are the full details of the [proposed regulations](#).

My community has a designated Opportunity Zone. What should we do now?

Communities with a designated Opportunity Zone should now determine how they aim to attract private investment, and what kinds of private investment the community is looking for. Opportunity Zone designation made investments eligible for tax incentives, but it is now up to the communities to attract these investments.

In order to successfully attract Opportunity Fund investment, the Baker Administration recommends that communities ensure that local permitting and zoning is conducive to the kinds of investments you aim to attract. Additionally, your community may want to think about how to market the Opportunity Zone to private investors both within and beyond Massachusetts.