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CONTACT

Michael J. Novogradac
415.356.8000
cpas@novoco.com

FOR IMMEDIATE RELEASE

Novogradac Working Group Issues Letter on Proposed OZ Regulations

Group's Letter to Treasury Includes Comments on 28 Areas

SAN FRANCISCO – The Novogradac Opportunity Zones Working Group [authored a letter to the U.S. Treasury Department](#), commenting on Treasury's proposed opportunity zones (OZ) regulations.

The comments cover issues that affect investors, qualified opportunity funds, and qualified OZ businesses.

“Treasury has done an excellent job providing comprehensive opportunity zones regulations, and we are grateful to have the opportunity to share with Treasury our suggestions on how to clarify and improve the guidance,” said Michael J. Novogradac, CPA, the managing partner of Novogradac. “We appreciate how Treasury has actively engaged with stakeholders to ensure that this incentive helps in communities where it is most needed.”

John Sciarretti, who leads the OZ Working Group—which includes investors, syndicators, lenders, developers and other community development professionals—was pleased with the recommendations.

“The OZ Working Group has a variety of stakeholders and we believe these comments reflect some common sense solutions and suggestions for critical issues,” Sciarretti said. “We look forward to working with Treasury and others to help this incentive make a difference in the communities where it's needed most.”

MORE

office 1160 Battery Street, East Building, 4th Floor, San Francisco, California 94111

mail PO Box 7833, San Francisco, California 94120-7833

www.novoco.com | 415.356.8000



Among issues addressed in the comment letter are Internal Revenue Code Section 1231 gains, the option to disregard recently contributed property to a qualified opportunity fund, the proposed asset-by-asset application for the substantial improvement test for qualified OZ business property, the proposed five-year vacant period for property, the grace period for tangible property be qualified OZ business property and more.

Comments on each of the 28 issues addressed include a summary of the rules or proposed regulations, the issues and recommendations.

Comments on the second tranche of Treasury guidance were due Monday. The first tranche of guidance, issued in October 2018, received about 150 comment letters.

About Novogradac

Novogradac began operations in 1989 and has grown to more than 600 employees and partners with offices in more than 25 cities. Tax, audit and consulting specialty practice areas for Novogradac include affordable housing, opportunity zones, community development, historic rehabilitation and renewable energy.