

# THE OPTIMAL INVESTMENT WINDOW TO MAXIMIZE THE OPPORTUNITY ZONE TAX BENEFITS IS BETWEEN NOW & THE END OF 2019.

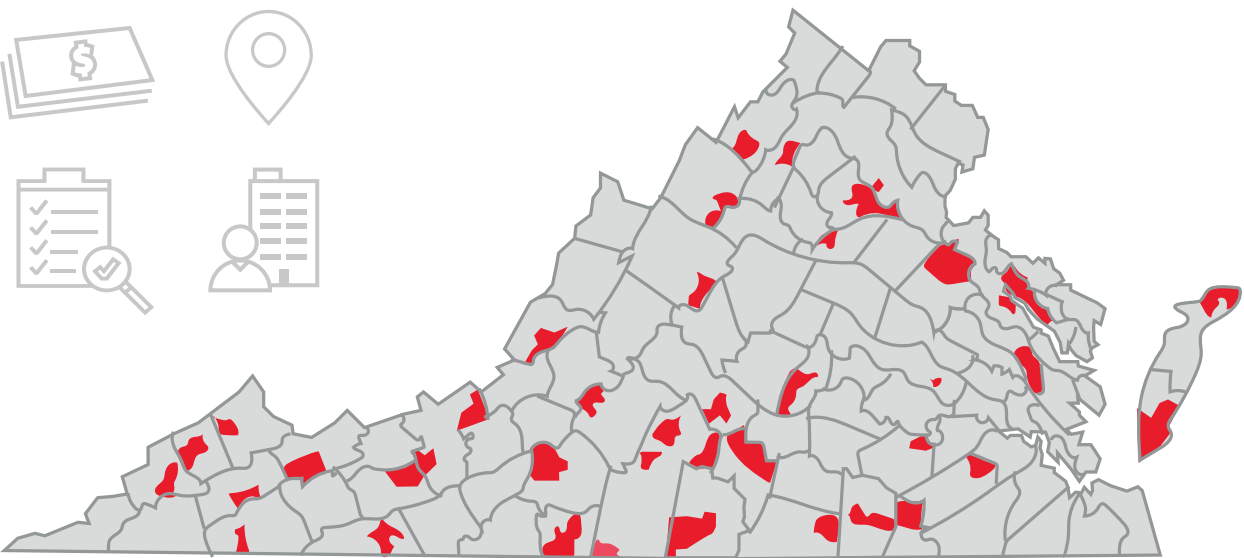
Q2 2019 | MAY

**OPPORTUNITY ZONE INCENTIVES ARE AVAILABLE TO INVESTORS WITH ELIGIBLE CAPITAL GAINS.** The funds can be reinvested in a Qualified Opportunity Fund (QOF) to defer or eliminate capital gains taxes. A QOF may qualify for a temporary deferral, tax reduction up to 15% or tax avoidance for interests based on the duration of the holding period. A QOF can be invested in real estate or businesses located in the designated area. Recognition of a deferred gain must be made before January 1, 2027.

**RECENT CLARIFICATIONS TO THE OPPORTUNITY ZONE LAW HAVE EASED SOME CONCERNS FOR REAL ESTATE INVESTMENTS:**

- Buildings that have been **VACANT FOR FIVE YEARS OR LONGER DO NOT REQUIRE SUBSTANTIAL IMPROVEMENTS** to the property.
- **RAW LAND DOES NOT NEED TO BE SUBSTANTIALLY IMPROVED** – but, it must be used in a trade or business. Land banking is not eligible.

To invest in businesses located in opportunity zones, the law requires 50% of a company’s gross income to occur within an opportunity zone – the rule was widened to include 50% of the hours worked, amount paid for services, or, in general, the work performed in an opportunity zone is necessary to generate 50% of the business’ gross income.



INVESTMENT LENGTH	BENEFITS RECEIVED
< 5 YEARS	Deferred payment of existing capital gains tax until the date that the Opportunity Zone Fund investment is sold or exchanged
5-7 YEARS	Benefits of deferred capital gains tax + 10% of tax on deferred capital gain is canceled
7-10 YEARS	Deferred payment of existing capital gains until the earlier of: a.) December 31, 2026 b.) the date the Opportunity Zone Fund investment is sold or exchanged + 15% of tax on deferred capital gain is canceled
> 10 YEARS	Elimination of 100% of the capital gains tax on the Opportunity Zone investment



VIEW DESIGNATED QUALIFIED OPPORTUNITY ZONES IN VIRGINIA



OPPORTUNITY ZONE RESOURCES

FOR MORE INFORMATION, PLEASE CONTACT:

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