

# Opportunity Zones

In December 2017, Congress passed the Tax Cuts and Jobs Act, which, among many other wide-ranging tax reforms, established a new program that promotes long-term investments in low-income areas, with the goal of stimulating development in these economically distressed communities. This program allows taxpayers to postpone and potentially decrease the tax on federal capital gains by re-investing the capital gains in low-income communities designated as “Qualified Opportunity Zones”. Our cross-disciplinary team of real estate, tax and corporate attorneys are well-positioned to help our clients determine the right approach and application, all while complying with the program’s legal requirements.

While fund managers, developers, business entrepreneurs and sponsors may realize the most benefits from the new legislation, Opportunity Zones are intended to be accessible to all classes of investors and businesses. In addition, there is no cap on the amount of capital gains that can be invested in an Opportunity Zone.

We use our experience with federal, state, and local development incentives, as well as tax credit programs, to assist clients in structuring deals with the most economically-favorable terms. Polsinelli attorneys offer our clients many insights that optimize the full extent of the Opportunity Zones program, including:

- Identifying unique deal structures
- Opportunity Zone fund formations
- Structuring real estate and operating business investments
- Tax planning, advice and compliance

Polsinelli’s experienced attorney team has studied the Opportunity Zones program from when it was signed into law, and is actively helping our clients navigate these new regulations. Working extensively with Economic Innovation Group (EIG), Polsinelli serves as a member on the EIG Opportunity Zone coalition. Our team considers it an imperative to stay apprised of regulatory updates that may affect our clients’ goals, and continue to lead on emerging deal structures.

We are monitoring this Act closely as it evolves over time. A Qualified Opportunity Zones Map may be found [here](#).