

Logan Gans Discusses Opportunity Zone Tax Incentive

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Miami Tax & International Law attorney [Logan Gans](#) analyzes the Department of Treasury and IRS's recently released proposed regulations and related guidance concerning the tax incentive for investing in "Opportunity Zones" of Internal Revenue Code Section 1400Z-2, which was part of last year's enacted tax legislation.

An Opportunity Zone is a designated economically-distressed community. In general, the tax incentive for Opportunity Zones of Section 1400Z-2 allows taxpayers to defer US federal income taxation on capital gains that are reinvested in a qualified opportunity fund ("QOF"), which itself invests in qualified opportunity zone property, until the earlier of December 31, 2026 or the date that the investment is sold or exchanged. Furthermore, the incentive allows for partial increases in tax basis if the investment in the QOF is held for specified benchmarks. Finally, if an investment is held for 10 years, then any post-investment capital gains realized from the investment in the QOF are tax exempt when the investment is sold or exchanged.

Because Section 1400Z-2 itself did not address many questions, such as how to elect the tax incentive, there has been much interest from potential investors in further guidance on this tax incentive.

To read the full alert, please click [here](#).

About Logan E. Gans

[Logan E. Gans](#) is an attorney in the Miami office of Shutts & Bowen LLP, where he is a member of the Tax and International Law Practice Group. Logan regularly represents clients on U.S. Federal tax, international tax, and state and local tax matters. Logan also advises U.S. clients on outbound corporate and tax planning. A Florida Certified Public Accountant, Logan also is experienced in advising clients on partnership tax planning, pre-immigration tax planning, tax due diligence, transfer pricing, and tax compliance.

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