

# Investment Tax Credits & Opportunity Zones

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Our Tax Group was an early leader in guiding clients to take advantage of the tax incentives available to investors in qualified opportunity funds focused on opportunity zones. Opportunity zones, created by the Tax Cuts and Job Act, are economically distressed communities, which provide powerful tax benefits to investors and were designed to contribute to economic development.

We are skilled in assisting clients with the following issues related to Opportunity Zones:

- Affordable housing and tax credit matters
- Asset, property management, & operational issues
- Financing components (senior, mezzanine, and preferred equity)
- Fund formation & structuring
- Opportunity business investments
- Real estate acquisitions & dispositions
- Securities offerings & compliance
- Tax compliance, structuring, and other related matters

The qualified opportunity zone incentive provisions allow taxpayers who recognize a gain from the sale of an asset (including non-real estate assets such as stocks or securities) to defer the tax on the gain by reinvesting the proceeds from the sale within 180 days into a Qualified Opportunity Fund formed and operated to invest in certain Qualified Opportunity Zones which have been designated in parts all 50 states, the District of Columbia, and all five U.S. territories. The incentive program also exempts from tax the gain on any Qualified Opportunity Zone investment held for at least 10 years.

To view the IRS's interactive map of all Opportunity Zones, click [HERE](#).

To learn more, contact any member of our [Tax Group](#).

## Representative Matters

### **State Street Bank and Trust Company Upper-Tier Investments**

Representation of State Street Bank and Trust Company in upper-tier investments in a low-income housing tax credit funds and related affordable housing opportunity funds. We negotiated the fund level documents and conduct tax and real estate due diligence on the fund's tax credit investments in low-income housing tax credit projects around the country.

### **Opportunity Fund \$250M Line of Credit**

Representation of an opportunity fund in a \$250M line of credit secured by partnership interests.

### **US Opportunity Fund Joint Venture with Israeli Private Equity Fund**

Representation of US opportunity fund in joint venture with Israeli private equity fund to acquire and restructure multifamily portfolio out of bankruptcy.

### **Major Lender in a Condominium Construction Loan**

Representation of a major lender in a condominium construction loan workout and restructuring of lines of credit to an opportunity fund secured by pledges of interests in real estate investment entities.

### **Real Estate Developers Acquiring Properties in Opportunity Zones**

Representation of real estate developers acquiring properties in opportunity zones in connection with the formation of entities structured as a qualified opportunity zone funds.