

Opportunity Zones: Digest

The OZ Digest is a regular update from the Polsinelli Opportunity Zones team. Our goal is to share everything opportunity zone (OZ) related from our team including firm and regulatory updates, events and thought leadership from our attorneys on the practical application of these evolving regulations.

Operating Companies in Opportunity Zones

The Second Round of Regulations encourages operating companies to participate in opportunity zones. Polsinelli is actively assisting operating companies in completing opportunity zones transactions. To learn more, please [click here](#).

 | **OZ Tip**

June 28 represents the last date that a capital gain from the 2018 calendar year of a flow thru entity or the capital gain from a “1231 Property” can be invested in a Qualified Opportunity Fund (QOF).

5 Key Takeaways on the Second Round of Opportunity Zone Regulations

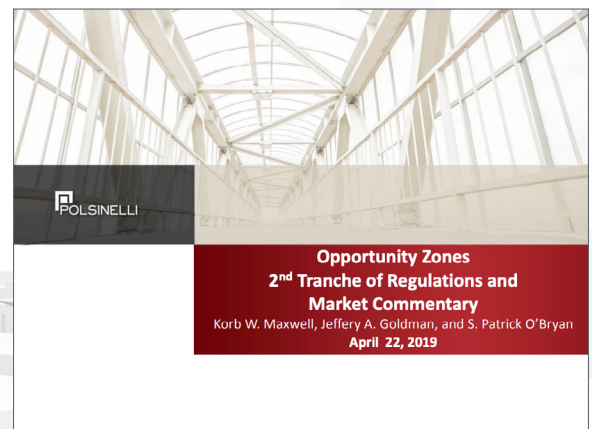
In response to the Treasury's guidance, the Polsinelli Opportunity Zone team hosted a webinar to provide commentary on the second round of Proposed Regulations. A summary of five key takeaways can be found below, with a link to the full webinar.

Five Key Takeaways

- 1** Similar to traditional real estate deals, Qualified Opportunity Funds (QOF) are allowed to refinance developments and distribute excess cash to investors without immediate tax due.
- 2** The Proposed Regulations are very favorable for operating businesses and encourages their establishment and growth in a qualified opportunity zone.
- 3** Investors holding an investment in a QOF for at least 10 years (excluding funds organized as C corporations) will not have to pay tax if the QOF sells its assets, opening the door to multi-asset funds.
- 4** Investors' opportunity zone benefits will not be jeopardized if the proceeds from an interim sale of a Qualified Opportunity Zone Business (QOZB) are reinvested within 12 months. However, investors will pay tax on the gain from the sale.
- 5** The capital gain from the sale of real or depreciable property used in a trade or business, otherwise known as "1231 Property", can only be invested in a QOF during the 180 days starting on the last day of the seller's tax year. This differs from other qualified capital gains which have an investment timeline that runs 180 days from the date of sale.

In case you missed the webinar, the recording is available [here](#).

Additional resources from the webinar are available [here](#).



Market Spotlight

Polsinelli is recognized as one of the Big Law firms with an opportunity zone team, read more [here](#).

Korb Maxwell

Shareholder



Shareholder Korb Maxwell was quoted in Costar News in discussing leased property in opportunity zones. To read the article, [click here](#).

Debbie Klis

Shareholder



Shareholder Debbie Klis wrote **“Get in the Zone: A Primer On Forming Qualified Opportunity Funds.”** *OZ Magazine, Vol. 1, Issue 1* [Click here](#) to read.

Dan Flanigan

Managing Partner
Shareholder



New York Office Managing Partner Dan Flanigan joins Michael Stoler on the Stoler Report to discuss the ins and outs of Opportunity Zones and their potential benefits. To view the video, [click here](#).



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Upcoming Events

Polsinelli's multidisciplinary Opportunity Zone team will be hosting a session focused on the basics of Opportunity Zones. Register for a BLI session near you. [Click here](#) for more information.

Phoenix - 6.18.19 | St. Louis - 6.21.19 | Denver - 6.28.19

If you have questions or would like additional information, please contact Regan Lemke at rlenske@polsinelli.com