

TAX FUNDAMENTALS OF OPPORTUNITY ZONES

Marcy Newman Hart, Esq.

Deferral Benefit

- \$100 Invested in O-Fund into Qualified O-Zone Property
- Tax Basis of \$0
- Immediate Deferral
- Year 5: 10% Step-up in Basis
- Year 7: 5% Step-up in Basis
- December 31, 2026: Recognition Event:
- Taxation on \$85 of capital gain
 - Date subject to extension



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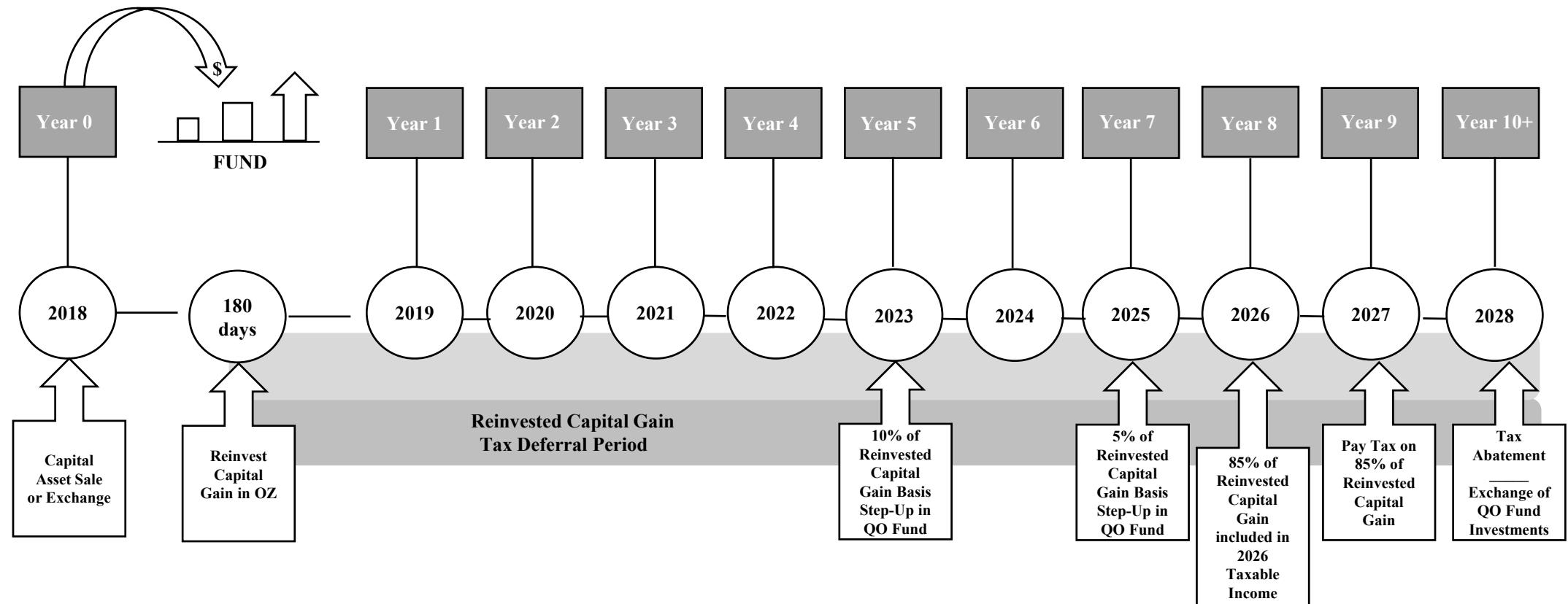
Abatement Benefit

- 10 Years
- Step-up in basis to Fair Market Value
- All post-investment appreciation tax free after 10 years
- \$100 Investment now worth \$1000, \$900 not subject to capital gains taxation upon disposition



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Investment Timeline



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