



TaxNewsFlash

United States

No. 2018-220
June 7, 2018

IRS updates list of FAQs on opportunity zones

The IRS today updated a list of "frequently asked questions" (FAQs) concerning opportunity zone rules under the new tax law (Pub. L. No. 115-97, enacted December 22, 2017).

The [list of opportunity zones FAQs](#) on the IRS website indicates the FAQs were updated on June 7, 2018, to include the following new FAQs:

Q. I sold some stock on December 15, 2017, and, during the required 180-day period, I invested the amount of the gain in a Qualified Opportunity Fund. Can I elect to defer tax on that gain?

A. Yes, as long as it was invested in the 180-day period, under § 1400Z-2(a)(1) of the Internal Revenue Code, you may elect to defer the tax on that gain. A deferral election may be made on your 2017 Federal Income Tax return. Information about the sale of your stock is required to be included in that return using IRS Form 8949. Precise instructions on how to use that form to elect deferral of the gain for your 2017 return will be forthcoming shortly.

Q. Can I still elect to defer tax on that gain if I have already filed my 2017 tax return?

A. Yes. You may elect to defer the gain, but you will need to file an amended 2017 return. As part of that amended return, you will follow the election procedure described in the answer to the preceding question.

Q. I have comments that I would like to make on § 1400Z-2. How can I share those comments with the IRS?

A. Please send all comments to CC.ITA.Section.1400@irs.counsel.treas.gov.

Background

The new U.S. tax law (Pub. L. No. 115-97) generally provides for the temporary deferral and potential for partial exclusion of gains reinvested in a qualified opportunity fund and the permanent exclusion of gains from the sale or exchange of an investment held for at least 10 years in a qualified opportunity fund.

- A qualified opportunity fund is an investment vehicle self-certified by the taxpayer as a qualified opportunity fund, and organized as a corporation or a partnership for the purpose of investing in and holding at least 90% of its assets in qualified opportunity zone property.
- Qualified opportunity zone property includes any qualified opportunity zone stock, any qualified opportunity zone partnership interests, and any qualified opportunity zone business property.

The [list of opportunity zones designations](#) is regularly updated by Treasury's Community Development Financial Institutions (CDFI) Fund.

For more information, contact a tax professional with KPMG's Washington National Tax:

Susan Reaman | + 1 202-533-3541 | sreaman@kpmg.com

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)