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Proposed regulations for opportunity zones, pending OIRA review

OMB's Office of Information and Regulatory Affairs (OIRA) has acknowledged receipt of proposed regulations from Treasury to provide guidance concerning capital gains invested in opportunity zones pursuant to provisions under the new U.S. tax law.

According to OIRA, the proposed regulations were received for review on September 12, 2018. Treasury regulations that are identified as "major" regulations are subject to review by OMB's OIRA before issuance, pursuant to Executive Order 13771. Read [TaxNewsFlash](#)

The U.S. Treasury Department and IRS would be expected to release the following proposed regulations once OIRA review is completed (according to information on the [OIRA website](#)):

- [RIN: 1545-BO53](#) - *Capital gains invested in opportunity zones*

Background

The new tax law in the United States (Pub. L. No. 115-97, enacted December 22, 2017) provides for the temporary deferral of inclusion in gross income for gains reinvested in a qualified opportunity fund and the permanent exclusion of gains from the sale or exchange of an investment fund in a qualified opportunity fund held for at least 10 years.

A qualified opportunity fund is an investment vehicle 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 (which includes any qualified opportunity zone stock, any qualified opportunity zone partnership interests, and any qualified opportunity zone business property).

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