

National Housing & Rehabilitation Association

Annual Meeting

February 27 – March 2 Miami, FL



Sponsors:





Qualified Opportunity Fund – Investor Side

- Invest capital gains in QOF in cash within 180 days
- Hold QOF investment 5 years – exclude 10% of original gain
- Hold QOF investment 7 years – exclude additional 5%
- 2026 – Pay tax on original gain (less exclusions above)
- Q – Will QOF distribute cash to pay the tax?
- Hold QOF for >10 years – appreciation is not Federally taxed
- Q – What happens to appreciation after year 10?



Qualified Opportunity Fund

- QOF invests 90% of assets in Qualified Opportunity Zone Property
- QOZP is acquired by QOF after 12/31/17:
 - QOZ Stock - Corporation is a QOZ Business (QOZB)
 - QOZ partnership interest – Partnership is a QOZB
 - Qualified OZ Business Property (QOZBP):
 - Property acquired by purchase
 - Original use commences with QOF or substantial improvement
 - Substantially all of use of property is in QOZ



Qualified Opportunity Zone Business

- Trade or Business
- Substantially all tangible property is QOZBP – 70% rule
- 50% of gross income from active conduct of business
- Substantial portion of intangible property used in active conduct
- Less than 5% of property is nonqualified financial property
- Not golf course, country club, massage parlor, hot tub facility, sun tan parlor, racetrack or other gambling and liquor store