



Opportunity Zones Program (Sec. 13823) in Federal Tax Cuts and Jobs Act (H.R.1), passed December 2017

Tax incentives for qualified investors to re-invest unrealized capital gains into low-income communities

\$2.5 trillion estimated unrealized capital gains

\$15 billion estimated realized capital gains in NC

Opportunity Funds Incentives

Federal tax incentives for investments made by qualified entities (Opportunity Funds)



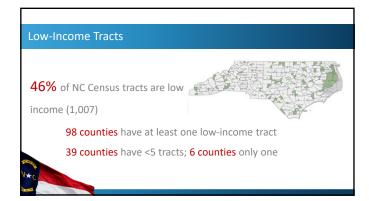
Temporary tax deferral for capital gains reinvested in an Opportunity Fund



Step-up in basis for capital gains reinvested in an Opportunity Fund



Permanent exclusion from taxable income of long-term capital gains



Selecting Opportunity Zones Guiding Principles: At least one zone in every county 25 percent of each county's low-income tracts Local recommendations and development goals State industrial site development initiatives Tracts hit by Hurricane Matthew Selected 252 Tracts across NC



NC's 252 Certified Opportunity Zones
50,000+ business establishments \$580 million public and private investments All NC Megasites

Next Steps

- $1. \quad \text{U.S. Treasury still developing criteria for Opportunity Funds}.$
- 2. No timeline from Treasury, earliest estimates point to late 2018.
- 3. State and Regional convenings to bring together OZ partners.
- 4. Engage private sector, developers and local leaders to encourage quality deal flow across asset classes.
- Supporting and connecting NC communities with deal, analysis and technical resources.



Today's Panelist	
	EVAN COVINGTON CHAVEZ Development Director – Rocky Mount Mills
	CHRIS JOHNSON Director – Johnston County Economic Development
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