



## Calvert County Opportunity Zones

The Patuxent Business Park is located in a federally designated Opportunity Zone.

Opportunity Zones are a part of a community and economic development program established by Congress as a part of the Tax Cuts and Jobs Act of 2017. They are designed to encourage long-term private investment in low-income and/or rural communities. This program provides a federal tax incentive for taxpayers who reinvest unrealized capital gains into Opportunity Funds, which are specialized vehicles dedicated to investing in Opportunity Zones.

The zones themselves are comprised of lower-income community census tracts and designated by governors in every state. Maryland has designated 149 Opportunity Zones across the state. Qualifying Zones are based on the 2011-2015 American Community Survey.

## Opportunity Zones Incentives

The Opportunity Zones program offers investors the following incentives for putting their capital to work in these communities:

- Investors can roll existing capital gains into Opportunity Funds with no up-front tax bill.
- A 5-year holding increases the rolled-over capital gains basis by 10 percent; a 7-year holding increases the rolled-over capital gain investment basis by another 5 percent for a total of 15 percent.
- Investors can defer their original tax bill until Dec. 31, 2026, at the latest, or until they sell their Opportunity Fund investments, if earlier.
- Opportunity Fund investments held in the fund for at least 10 years are not taxed for capital gains.

For answers to tax questions, please see visit: <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

