

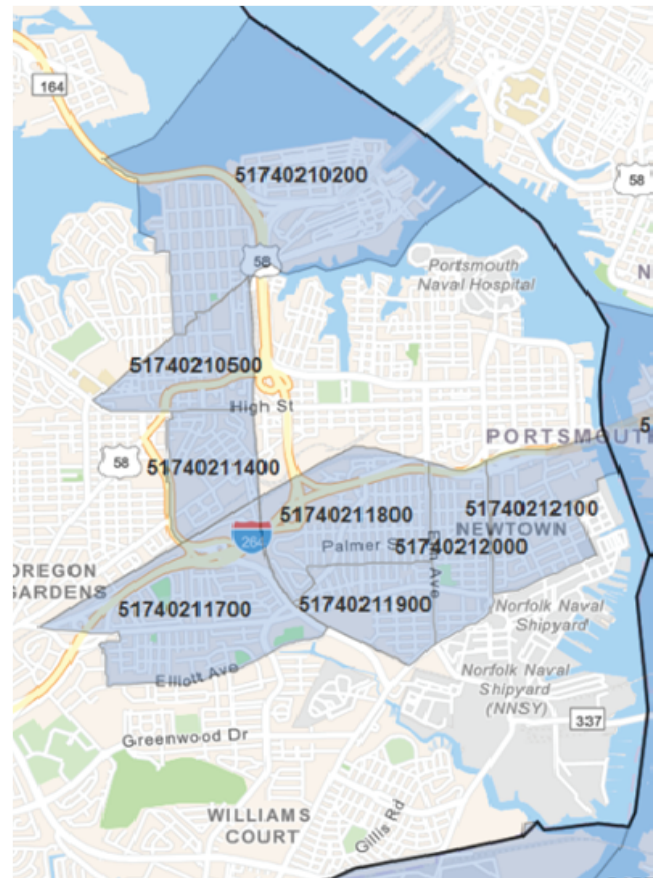
Opportunity zones

the smart move for business.

Portsmouth has 8 Opportunity Zone designated census tracts that were federally determined in 2018. These federal designations are permanent until Dec. 31, 2028.

Opportunity Zones are designed to spur economic development in economically-distressed communities by providing federal tax benefits to investors with capital gains. Investors can make investments in low-income census tracts [IRC Section 45D(e)] as designated by the U.S. Treasury. A low-income census tract is defined as having an individual poverty rate of at least 20% or a median family income no greater than 80% of the area median income.

Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If a QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. If an investor holds the investment in the Opportunity Fund for at least 10 years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged.



Contact the Portsmouth Economic Development team for more information about the local impact of Opportunity Zones.

757.393.8804

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Additional information about the federal program can be found at:
<https://www.dhcd.virginia.gov/opportunity-zones-oz>.



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