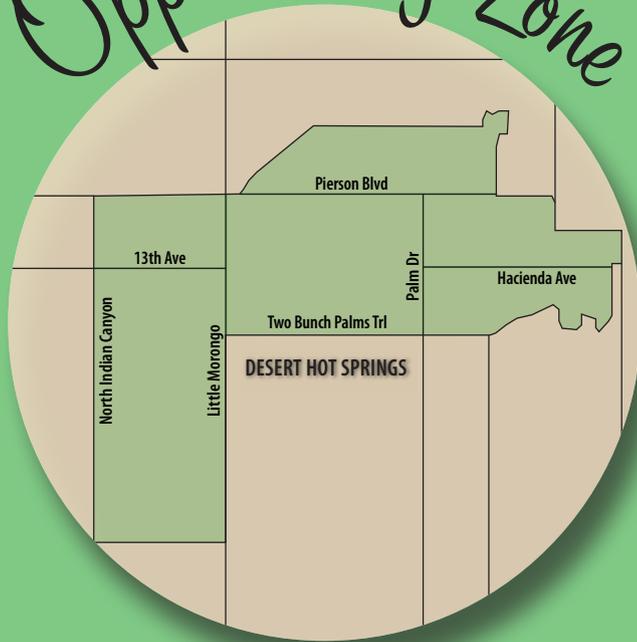


Opportunity Zone



What Investors Need to Know

Desert Hot Springs is one of the few cities in the Coachella Valley to have received designation for Qualified Opportunity Zones.

Investors in these areas can experience major tax benefits – not to mention, opportunity for growth.

Here's what you need to know to take advantage of this opportunity.

1. What are Qualified Opportunity Zones?

Opportunity Zones are areas that have been nominated for special tax treatment by the state, and certified by the Secretary of the U.S. Treasury. They were first added to the tax code on December 22, 2017, and the first zones were designated on April 9, 2018.

2. How can investors benefit?

Opportunity Zones are designed to spark economic development by creating tax benefits for investors. Per the IRS: First, investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in basis equal to the fair market value of the investment on the date that the investment is sold or exchanged.

3. What is a Qualified Opportunity Fund?

The IRS defines these funds as “an investment vehicle that is set up as either a partnership or corporation for investing in eligible property that is located in an Opportunity Zone and that utilizes the investor’s gains from a prior investment for funding the Opportunity Fund.”

4. Do I have to live in an Opportunity Zone, or own property there to take advantage of these benefits?

No! You can take advantage of this opportunity even if you don't live, work, or own a business in an Opportunity Zone, as long as you invest in a Qualified Opportunity Fund.



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