

WORTH THE WAIT: SECOND ROUND OF OPPORTUNITY ZONE PROPOSED REGULATIONS CLEARS THE WAY FOR MANY OZ INVESTMENTS

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After a lengthy drafting and protracted review process, the Department of Treasury ("Treasury") has released its second set of proposed regulations (the "Second Round Regs") providing guidance on the implementation of the Opportunity Zone ("OZ") tax incentive enacted in the Tax Cuts and Jobs Act. Designed to maximize the number and types of projects and businesses that will qualify for OZ benefits, the regulations reflect the administration's strong desire to establish rules that will encourage investments in disadvantaged areas designated as OZs. The guidance focuses on issues related to operating businesses and also resolves several questions pertaining to real estate and other project finance investments that carried over from the first set of OZ regulations released on October 19, 2018 (the "First Round Regs"), which are discussed in the alert titled '*Opportunity Zone Proposed Regulations Provide the Certainty Anxious Investors, Developers, and Entrepreneurs Have Been Seeking*'.

This alert on the Second Round Regs provides a summary in Q&A format of the issues addressed — or not — in the Second Round Regs.

To read the full alert, [click here](#).

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