



Denzel Okinedo Details Opportunity Zone Investment Program and Future Changes for Business Alabama

Media Mention

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Denzel Okinedo authored an article published by Business Alabama titled “Expanding Local Investment in Opportunity Zones” on December 18, 2023, which discussed Opportunity Zones as a viable avenue for growth and investment within the state of Alabama and detailed proposed legislation to revamp the incentive program in the future.

Created as a federal economic development incentive through Congress’ Tax Cuts and Jobs Act of 2017 (TCJA), the program provides tax incentives for the investment of new capital in businesses operating in one or more Opportunity Zones, which are generally economically distressed communities in need of investment and revitalization.

“A community may become a Qualified Opportunity Zone if it was nominated for that designation by a state, the District of Columbia, or a U.S. territory, and that nomination was certified by the Secretary of the U.S. Department of Treasury,” Okinedo explained. “Under certain conditions, new investments in such communities may be eligible for preferential tax treatment.”

In September 2023, a bipartisan bill known as the Opportunity Zone Improvement Transparency Extension Act (the OZ Act) was introduced with the intention of revamping and expanding existing incentives around Opportunity Zones. “As businesses look ahead to their 2024 strategic goals, the proposed bipartisan OZ Act emerges as eye-catching legislation that could provide investors with

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avenues for community investment and sustained tax relief,” Okinedo said.

Changes stemming from the OZ Act include:

- Modifying Opportunity Zone qualification criteria by restricting census tracts with high median family income from being identified as Opportunity Zones to better align with the legislation’s intent to draw capital into underserved and overlooked communities;
- Extending investment and deferral periods from December 31, 2026, to December 31, 2028, to provide investors additional time to plan and execute their strategies;
- Allowing for “zero population census tracts” to qualify for designation as Opportunity Zones;
- Modifying the definition of “Qualified Opportunity Funds” (QOFs) to allow QOFs to invest in other QOFs and encourage increased collaboration;
- Adding reporting requirements to ensure transparency and accountability and,
- Establishing a State and Community Dynamism Fund, allocating \$1 billion to support public and private investment in Qualified Opportunity Zones.

For the full article, please [click here](#).