

Opportunity Zones

Inquiries about Opportunity Zones in New Jersey can be directed to the following email address:

njopportunityzones@dca.nj.gov

Program Overview

The Opportunity Zones program was enacted as part of the 2017 federal Tax Cuts and Jobs Act and is designed to drive long-term capital investments into low-income rural and urban communities. This federal program provides opportunities for private investors to support investments in distressed communities through participation in Qualified Opportunity Funds.

Investors can defer paying federal taxes on capital gains reinvested in Qualified Opportunity Funds that invest in low-income communities, under rules released by the U.S. Department of the Treasury. Reinvested capital gains are deferred from taxation until exit from a Qualified Opportunity Fund or December 31, 2026, whichever comes first. However gains from Qualified Opportunity Fund investments held for the long term are taxed at reduced rates, with the rate reductions increasing at the 5, 7, and 10 year marks. Any gains from Qualified Opportunity Fund investments held for at least 10 years will be permanently excluded from the capital gains tax.

The City of Paterson, City of Passaic, City of Clifton and Borough of Prospect Park in the County of Passaic contain Opportunity Zone areas.

For additional information and an interactive map depicting the location of Opportunity Zones please visit:

https://www.state.nj.us/dca/divisions/lps/opp_zones.html#where