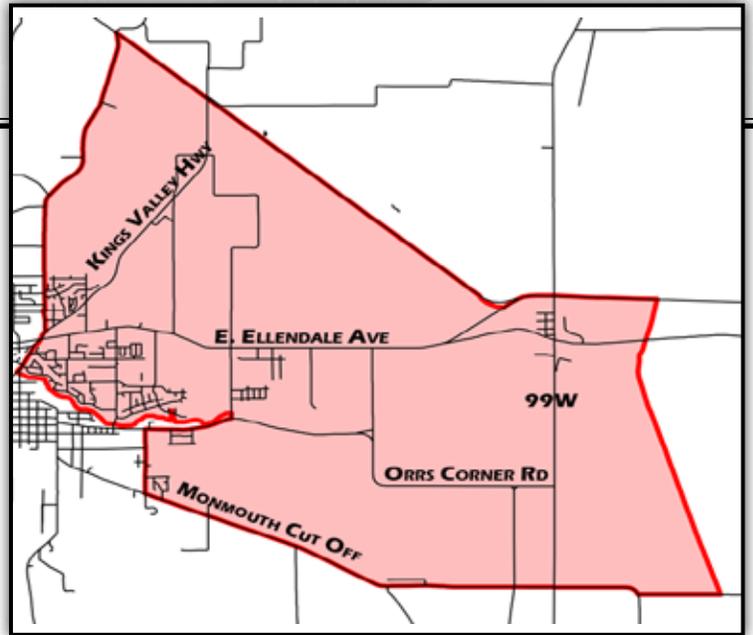




## INCENTIVES FOR YOUR BUSINESS CONTINUED

A portion of the city of Dallas (Census tract 202-02) was chosen by the Governor's office to be part of the [Opportunity Zone](#) federal program created by the Tax Cuts and Jobs Act of 2017. To view a map of the Dallas Opportunity Zone, please [click here](#).

These zones were designed to spur economic development and job creation in distressed communities throughout the country by providing tax benefits to investors who invest eligible capital into these communities. Taxpayers may defer taxes on eligible capital gains by making an appropriate investment in a Qualified Opportunity Zone Fund and meeting other requirements.



With the opportunity zone incentive, the capital gains arising from sale transferred into a qualified opportunity zone fund within 180 days will have their tax liability delayed or deferred until December 31, 2026, at the latest. The taxpayer decides how much of his/her newly realized gains to invest, when to sell or exit that investment, or even whether to invest other moneys alongside (which would not receive these tax benefits).

In addition to deferring income taxes, by the time the investment of tax-deferred capital gains in the opportunity zone is sold or the end of 2026, whichever is earlier:

- The amount subject to taxes shrinks by **10%**—in that the basis in the investment increases—if the investment has been held for at least five years by 2026.
- If held for at least seven years in total, the basis increases by an additional **5% pts (15% in total)**.
- The amount subject to taxes is effectively the fair market value of the investment, if it has declined in value.
- If the value of the original investment of capital gains appreciates after having been held for at least 10 years in the qualified opportunity zone fund, then those new capital gains earned in the zone are themselves **completely tax free**.

*You're Invited! Bring your business here.*

### FOR MORE INFORMATION

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