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Announcing ...

## SNELL & WILMER LAUNCHES OPPORTUNITY ZONES AND OPPORTUNITY FUNDS GROUP

**PHOENIX (May 2, 2018)** – Snell & Wilmer is pleased to announce the launch of its Opportunity Zones and Opportunity Funds group. This group will help clients address opportunities and issues surrounding this new tax incentive investment program.

When the Tax Cuts and Jobs Act was signed into law in late December 2017, an important investment tool was created, offering significant federal income tax incentives for investors to provide capital to operating businesses and for real estate development – called Opportunity Zones. Specifically, Opportunity Zones are designed to encourage investment of private capital into newly formed investment entities, Opportunity Funds, which will deploy the invested capital into businesses located in and real estate development occurring within certain designated areas throughout the country.

Opportunity Zones offer taxpayers significant federal income tax incentives for investing in Opportunity Funds, including the long-term deferral and partial reduction of gain from the sale of an asset where the gain proceeds are reinvested in an Opportunity Fund. However, the most notable federal income tax incentive is the exclusion of income from taxation on an investor's appreciation of his or her interest in the Opportunity Fund where the investor holds such investment for a certain period of time. It is estimated that \$6 trillion of unrealized gain exists in assets eligible for re-investment in this program.

“We have not seen anything with the potential to be so impactful as Opportunity Zones in quite some time,” said [Marc Schultz](#), a partner in the Phoenix office of Snell & Wilmer and chair of the Opportunity Zones and Opportunity Funds group. “Snell & Wilmer has brought together an interdisciplinary team of attorneys from across our offices that have a strong understanding of this complex, but attractive new program. We are currently advising clients on strategies for taking advantage of this new development, including taxpayers with respect to making investments in Opportunity Funds, sponsors with respect to forming and structuring Opportunity Funds, and target companies and property owners located in Opportunity Zones. Additionally, our team will advise Opportunity Funds with respect to the structuring and deployment of capital in Opportunity Zones and the respective ongoing compliance issues related to this program.”

### **New Markets Tax Credit Experience**

Opportunity Zones is a federal program that adopts many of the same rules as the federal New Markets Tax Credit (NMTC) program. Having a legal advisor who understands the limitations and compliance issues with respect to NMTCs is a likely prerequisite for success in this new area. Snell & Wilmer has an established and robust NMTC practice from a tax, commercial finance, and corporate compliance perspective, and it regularly issues written tax opinions in the NMTC area. The firm also has significant experience structuring complex transactions from a tax and financing perspective – which is necessary for deployment of capital by an Opportunity Fund.

### **About Snell & Wilmer**

Founded in 1938, Snell & Wilmer is a full-service business law firm with more than 400 attorneys practicing in nine locations throughout the western United States and in Mexico, including Phoenix and Tucson, Arizona; Los Angeles and Orange County, California; Denver, Colorado; Las Vegas and Reno, Nevada; Salt Lake City, Utah; and Los Cabos, Mexico. The firm represents clients ranging from large, publicly traded corporations to small businesses, individuals and entrepreneurs. For more information, visit [www.swlaw.com](http://www.swlaw.com).