

## Opportunity Zones

In 2017, President Donald Trump signed the congressional revenue Tax Cuts and Jobs Act into law to stimulate economic development and job creation, by incentivizing long-term investments in low-income neighborhoods. Opportunity Zones can be defined as an economically distressed community where private investments may be eligible for capital gain tax incentives. Investors get full support from the state government and are welcomed into the community that they are investing in with open hands. This allows individual and corporate taxpayers to defer capital gains on the sale of stock, business assets, or any other property (whether or not the asset sold was located in or related to a low-income community) by investing the proceeds in an Opportunity Fund, which in turn must invest at least 90% of its assets, directly or indirectly, in businesses located in certain low-income communities designated as Opportunity Zones. Partial forgiveness of deferred capital gains and gains from future appreciation is possible for Opportunity Fund investments held for five, seven, and ten years. There are more than 8,760 designated Qualified Opportunity Zones located in all 50 States, the District of Columbia, and five United States territories.

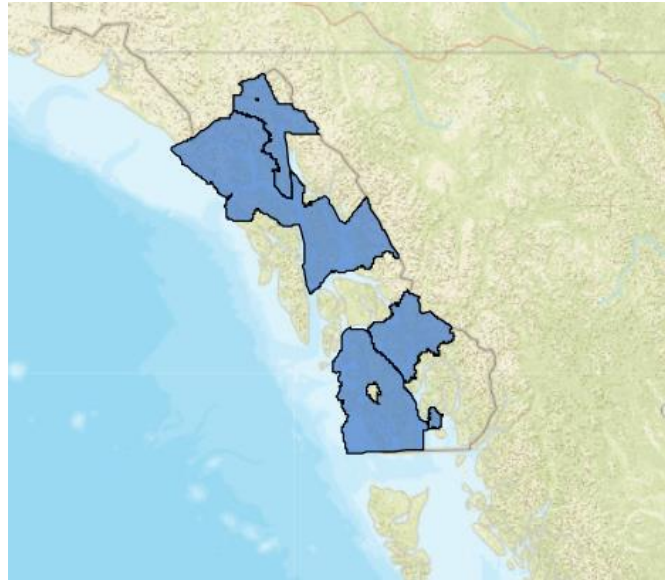


Figure 1: Southeast Alaska Opportunity Zones. [Source](#)

In Alaska, there are 25 designated Opportunity Zones. 23 of these Opportunity Zones are low-income communities and have an average poverty rate of 16.75%. As opposed to other parts of the United States Alaska has fewer opportunity zones, but this does not mean that they are less interested in investment. These were designated by Governor Bill Walker in 2018. Research to determine which areas of Alaska could be determined opportunity zones took about 4 months to complete and they include areas in populated zones such as Anchorage, Fairbanks, among areas nearby both military bases. A concrete example of quality of life boost this bill is giving to Alaska is the opening of the 1002 area of the Arctic National Wildlife Refuge which was included as part of the tax bill and is already benefiting from private investment. The Opportunity Zones for Alaska are listed on the next page.

The 25 designated Opportunity Zones that you will find in Alaska include:

1. Aleutians East
2. Aleutians West & St. Paul Island
3. JBER
4. Ship Creek
5. Muldoon
6. Muldoon
7. Fairview
8. Midtown/Spenard
9. Midtown Anchorage
10. Upper Kuskokwim
11. Downtown Fairbanks
12. Downtown Fairbanks
13. Fort Wainwright/ Chena
14. Haines Borough
15. Hoonah & Angoon
16. Tyonek
17. Houston
18. West Meadow Lakes
19. Bering Strait/Seward Peninsula & St. Lawrence
20. North Slope Borough
21. Northwest Arctic Borough
22. Prince of Wales
23. Metlakatla
24. Wrangell
25. Tanana Flats



Figure 2: Alaska Opportunity Zones. [Source](#)

#### Sources

<https://eig.org/wp-content/uploads/2018/01/Tax-Benefits-of-Investing-in-Opportunity-Zones.pdf>

<https://www.eda.gov/opportunity-zones/>

*New Program Allows Deferral and Possible Forgiveness of Capital Gains Invested in Low-Income Community Businesses* by Steven Mount