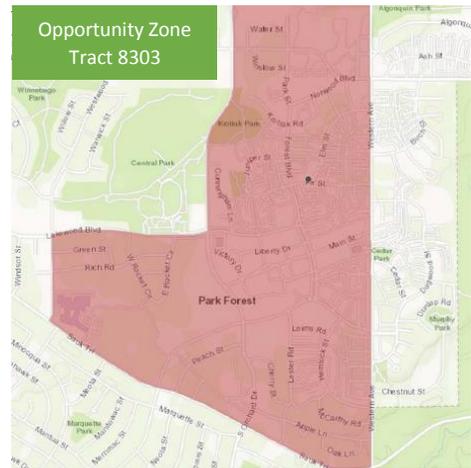


Park Forest's Opportunity Zone

In 2016, Census Tract 8303 in Park Forest, had a population of 4,983, median age of 39, a poverty rate of 34 percent, 127 businesses that employ 1,606, and median household income of \$40,953 according to the U.S. Census Bureau and ESRI. Today, Census Tract 8303 is one of 8,700 new Opportunity Zones, across the United States. Designation as a qualified Opportunity Zone will remain in effect until December 31, 2028.

Governors of each state were asked to submit lists of distressed Census Tracts for consideration to be Opportunity Zones. Illinois has 1,305 eligible tracts. Governors were permitted to nominate 25% of the eligible tracts. As a result, in Illinois, there are 327 Opportunity Zones, including a handful in the south suburbs of Chicago.



You can view a map of Opportunity Zones here. <https://www2.illinois.gov/dceo/Pages/OppZn.aspx>

The Opportunity Zone program was created to stimulate private investment in Opportunity Zone communities in exchange for capital gain tax incentives. It's estimated that nearly \$6.1 trillion in unrealized capital gains would be eligible for such investments. Opportunity Zone investments may be an attractive option for the investors sitting on these unrealized gains, potentially even outperforming the stock market.

The Opportunity Zones program offers investors the following incentives for putting their capital to work in low-income communities:

- A **temporary tax deferral** for capital gains reinvested in an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is sold or December 31, 2026.
- A **step-up in basis** for capital gains reinvested in an Opportunity Fund. The basis of the original investment is increased by 10% if the investment in the qualified opportunity zone fund is held by the taxpayer for at least 5 years, and by an additional 5% if held for at least 7 years, excluding up to 15% of the original gain from taxation.
- A **permanent exclusion from taxable income of capital gains** from the sale or exchange of an investment in a qualified opportunity zone fund, if the investment is held for at least 10 years. (Note: this exclusion applies to the gains accrued from an investment in an Opportunity Fund, not the original gains).

If you have questions, please contact Sandra Zoellner, Assistant Director of Economic Development Planning, at 708-921-5118 or szoellner@vopf.com