



City of Augusta Opportunity Zone

The City of Augusta's Qualified Opportunity Zone (QOZ) is defined by Census Tract 103 - one of the city's five Census Tracts. The boundaries of the zone are the west bank of the Kennebec River to the east, the northern side of Memorial Drive and Western Avenue the south, the municipal border with the Town of Manchester to the west, and the southern bank of Bond Brook to the north.

Q. What is an Opportunity Zone?

A. An Opportunity Zone is an economically-distressed area in a community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation authority to the Internal Revenue Service.

Q. How do Opportunity Zones spur economic development?

A. Opportunity Zones are designed to spur economic development by providing tax benefits to investors. First, investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in basis equal to the fair market value of the investment on the date that the investment is sold or exchanged.

Q. How were Opportunity Zones created?

A. Opportunity Zones were added to the tax code by the Tax Cuts and Jobs Act on December 22, 2017.

Q. How do I apply?

A. The Opportunity Zone program is an exclusively federal program written into the federal tax code. Your local municipality can help determine whether a subject property falls within a Qualified Opportunity Zone, but individuals should consult with a tax professional to determine the extent of the benefit that an investment in an Opportunity Zone could provide to them.

