



Part IV: Q & A on Opportunity Zones – Incentive for Investors to Re-invest Unrealized Capital Gains

By: Carlos J. Reyes, Esq.

Q. I sold some stock for a gain in 2019, and, during the 180-day period beginning on the date of the sale, I invested the amount of the gain in a Qualified Opportunity Fund. Can I defer paying tax on that gain?

A. Yes, you may elect to defer the tax on the amount of the gain invested in a Qualified Opportunity Fund. Therefore, if you only invest part of your gain in a Qualified Opportunity Fund (s), you can elect to defer tax on only the part of the gain which was invested.

Q. How do I elect to defer my gain on the 2019 sale of the stock?

A. You may make an election to defer the gain, in whole or in part, when filing your 2018 Federal Income Tax return. That is, you may make the election on the return on which the tax on that gain would be due if you do not defer it.

Q. I sold some stock on December 15, 2018 and, during the required 180-day period, I invested the amount of the gain in a Qualified Opportunity Fund. Can I elect to defer tax on that gain?

A. Yes. You make the election on your 2017 return. Attach Form 8949, reporting Information about the sale of your stock. Precise instructions on how to use that form to elect deferral of the gain will be forthcoming shortly.

Q. Can I still elect to defer tax on that gain if I have already filed my 2018 tax return?

A. Yes, but you will need to file an amended 2018 return, using Form 1040X and attaching Form 8949.

Q. How can I get more information about Opportunity Zones?

A. Over the next few months, the Treasury Department and the Internal Revenue Service will be providing further details, including additional legal guidance, on this new tax benefit. More information will be available at Treasury.gov and IRS.gov.

The **Reyes Law Group (“RLG”)** wants to be your legal counsel. Call us today (954-369-1993) and schedule a teleconference appointment to discuss how we can help.

Carlos J. Reyes is the Founder and Managing Partner of the Reyes Law Group providing overall direction and management of the firm’s real estate development and transactional work (residential and commercial), asset protection practice, commercial leasing work, financing and investment counsel, business transactions and commercial litigation for clients. Mr. Reyes is AV-rated by Martindale Hubbell. For more information about the Reyes Law Group, visit our website at www.reyeslegal.com or contact us at (954) 369-1993 to schedule a consultation to review your legal needs.

The hiring of a lawyer is an important decision that should not be based solely upon advertisement. Before you decide, ask us to send you free information about our qualifications.



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