

CITY OF BISMARCK, NORTH DAKOTA

OPPORTUNITY ZONES: A NEW INCENTIVE FOR INVESTING IN COMMUNITIES



WERE YOU AWARE THAT.....



An Opportunity Fund can provide a temporary deferral of inclusion in taxable income for capital gains reinvested. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.



An investment can be a step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.



An investment can be a permanent exclusion from taxable income of capital gains from the sale or exchange of an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.



**DEFER
CAPITAL
GAINS**
Through
Investment

**REDUCE
CAPITAL
GAINS**
by Holding
Investment

**NO GAINS
ON
PROFITS**
Holding
Investment
for 10 Years

**UNTAPPED
POTENTIAL**
U.S. Investors
Hold \$2.3
Trillion in
Unrealized
Gains

OPPORTUNITY ZONES IN THE CITY OF BISMARCK , ND

Q: What is an Opportunity Zone?

A: Opportunity Zones are communities or counties in North Dakota that have been designated by state and federal governments where new investments aimed at improving these areas are incentivized with preferential tax benefits. The City of Bismarck submitted three tracts to the North Dakota Department of Commerce for consideration, and all three tracts were approved. These tracts include most of the downtown core and the southeast part of the city. (See Map)

Q: What is an Opportunity Fund?

A: A qualified Opportunity Fund is any investment vehicle organized as a corporation or partnership with the specific purpose of investing in Opportunity Zone assets. The fund must hold at least 90 percent of its assets in qualifying Opportunity Zones property.

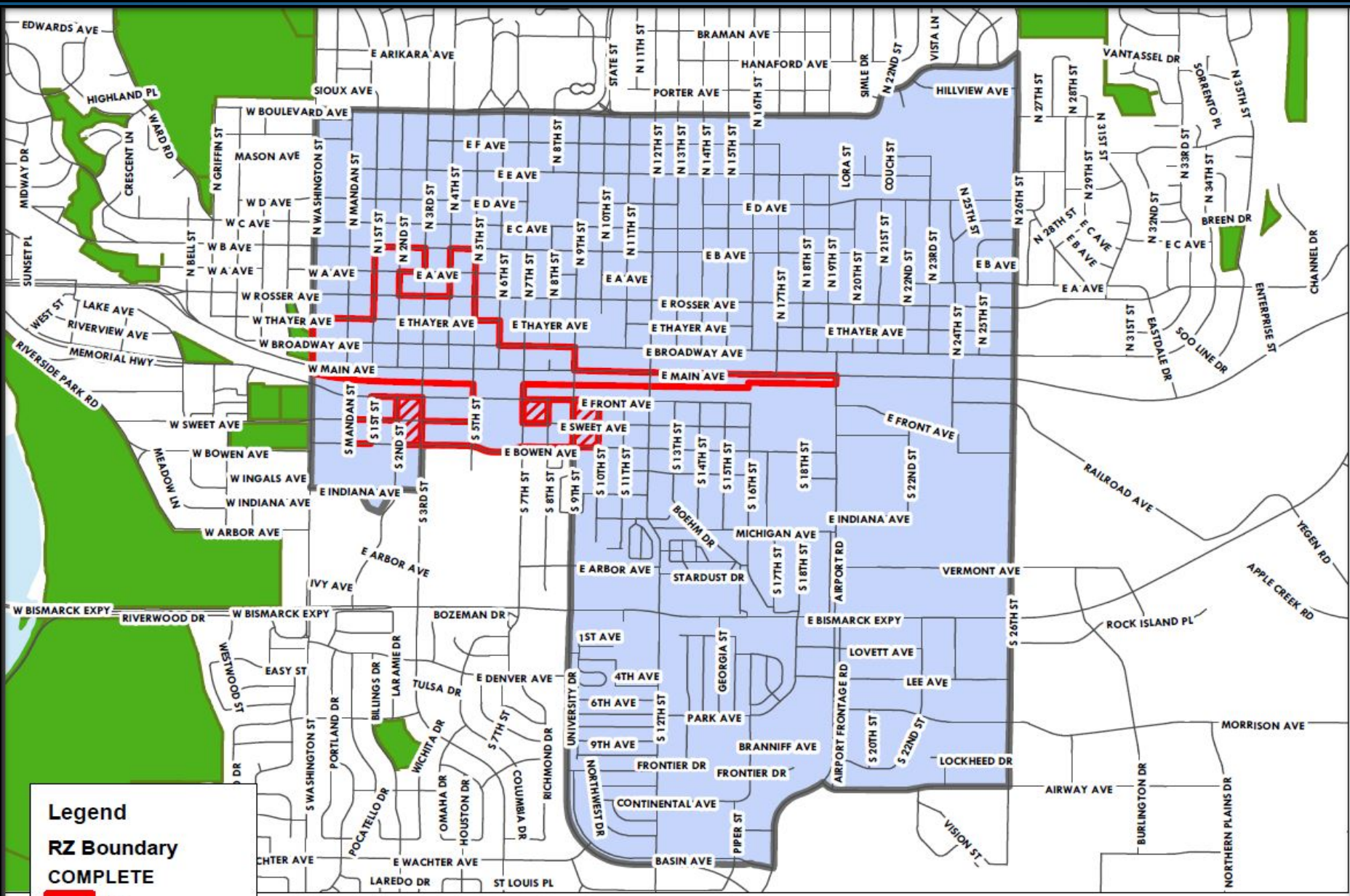
Q: What is the purpose of Opportunity Zones?

A: Opportunity Zones are an economic development tool – that is, they are designed to spur economic development and job creation in distressed communities.

Q: How does this tax break work?

A: Unlike other programs, investors are not receiving any upfront tax credits. Investors can reinvest their capital gains from other investments into these opportunity zones. Over time, they get preferable treatment on the profits from these new investments. After 10 years, additional capital gains are tax free.






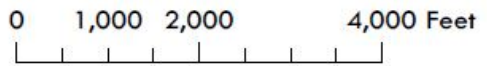


Legend

RZ Boundary

COMPLETE

-  NO
-  YES
-  Opportunity_Zones



This map is for reference purpose only and is not intended as a survey or accurate representation of all map features.



THANK YOU FOR INVESTING IN BISMARCK

For more information contact:

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City of Bismarck – Community Development: (701) 355-1840

Bismarck-Mandan Chamber/EDC: (701) 223-5660

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