



## Opportunity Zones

The recently passed Tax Cuts and Jobs Act of 2017 created Opportunity Zones, which are specially created geographic districts that grant investors substantial tax breaks for investment capital – including tax-free income. There are Opportunity Zones in 2 Beaufort County towns – The City of Beaufort and Hilton Head Island.}]

## Defer capital gains under the Tax Reform Act

The recently passed Tax Reform Act included an incredible tax break for investors. An investor may defer capital gains on the sale of any asset. The new investment then pays no capital gains for the next 10 years. In addition, the original capital gains tax is reduced over time.

Here's how the process works. An investor sells an asset and generates a capital gain. The profit from that investment must be reinvested within 180 days into a designated Opportunity Zone (OZ). An OZ is a specially designated census tract. Large parts of the U.S. are eligible for designation, including many commercial, industrial and residential areas.

If the investment is held, the capital gains tax on the original profit will be reduced by 10% after five years and by 15% after seven years. After 10 years, the new capital gains on the reinvestment are reduced to zero.

This is one of the most beneficial tax reforms in decades. Learn how Virtua Partners can help you take advantage of this opportunity.

An Opportunity Fund (OF) is an investment vehicle, organized as a corporation or partnership, that specializes in aggregating private investments and deploying that capital in an Opportunity Zone

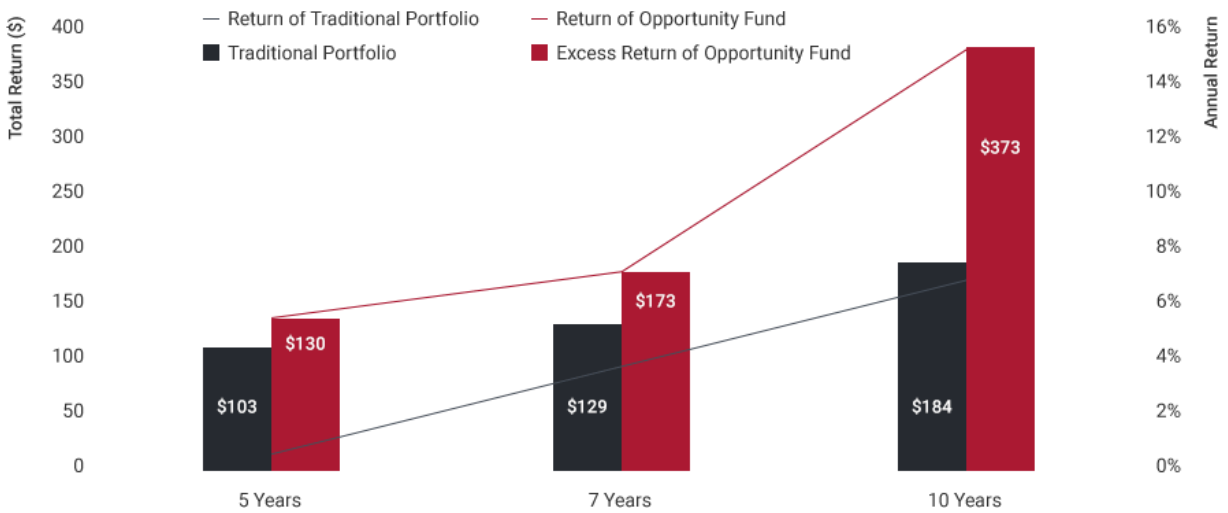
- Investors may reinvest capital gains from existing investments into an Opportunity Fund and defer/reduce capital gains taxes
- If held, the original investment's tax basis increases by 10% after five years and by 15% after seven years
- After 10 years, investors permanently eliminate capital gains tax on the post-acquisition gains

# Returns Offered by the Opportunity Zones

What's the 10-year return of \$100,000 capital gain reinvested in an Opportunity Fund and a traditional portfolio?

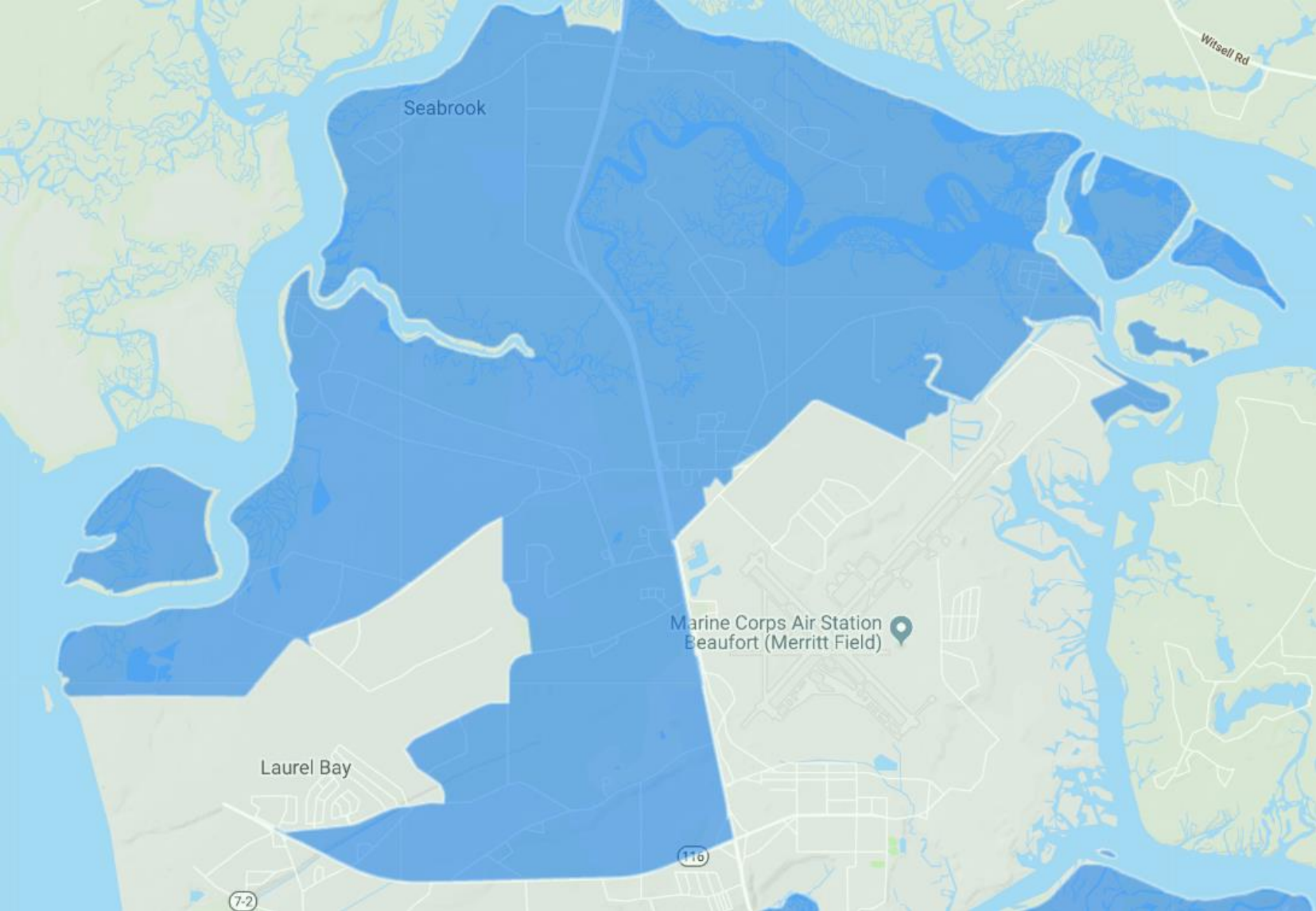
Assumptions: 1) 15% annual investment appreciation; 2) 37% combined tax rate

## Tax Benefits



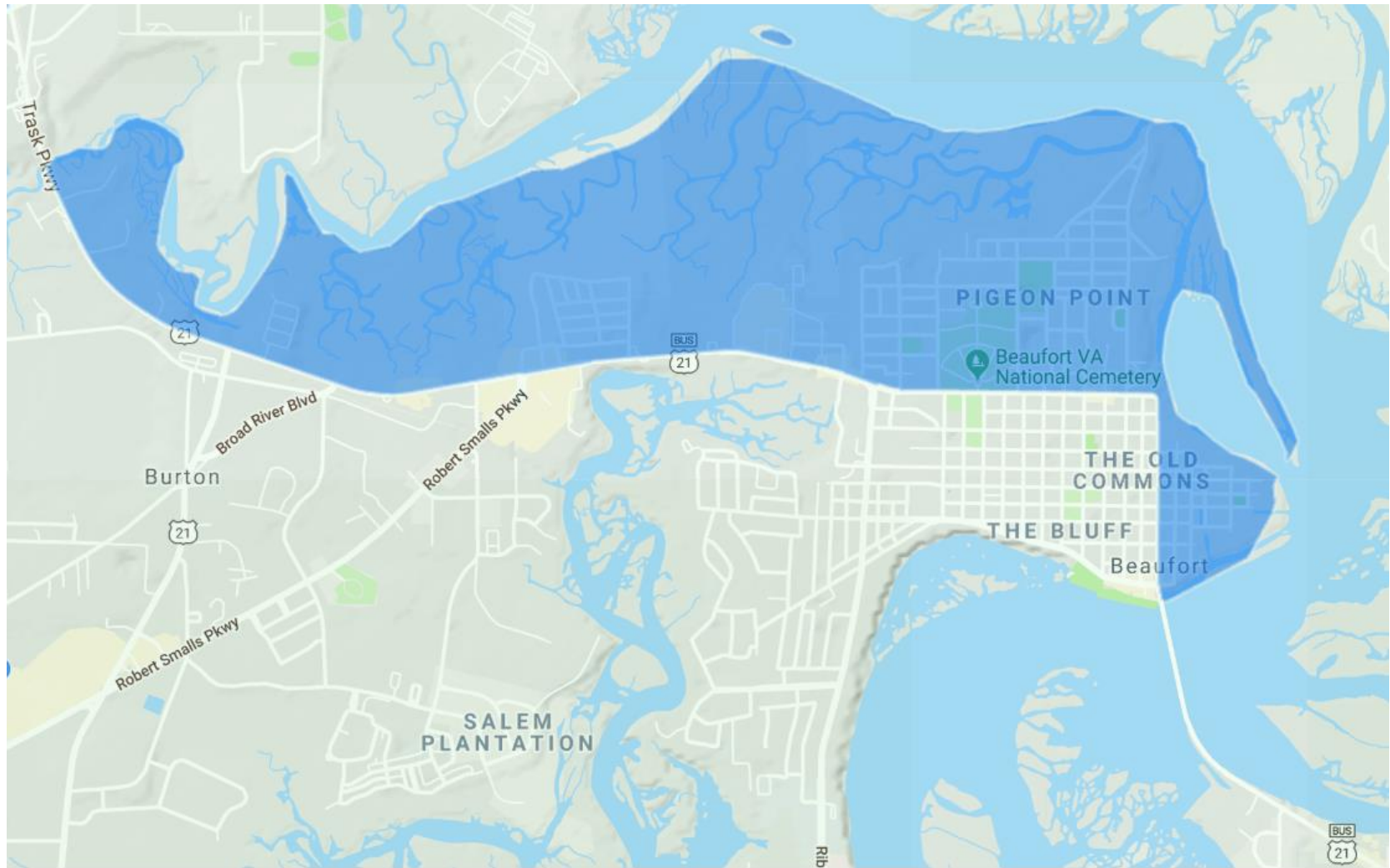
Beaufort County Opportunity Zones

City of Beaufort



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Hilton Head Island

