

Capitalizing on Opportunity Zone Status



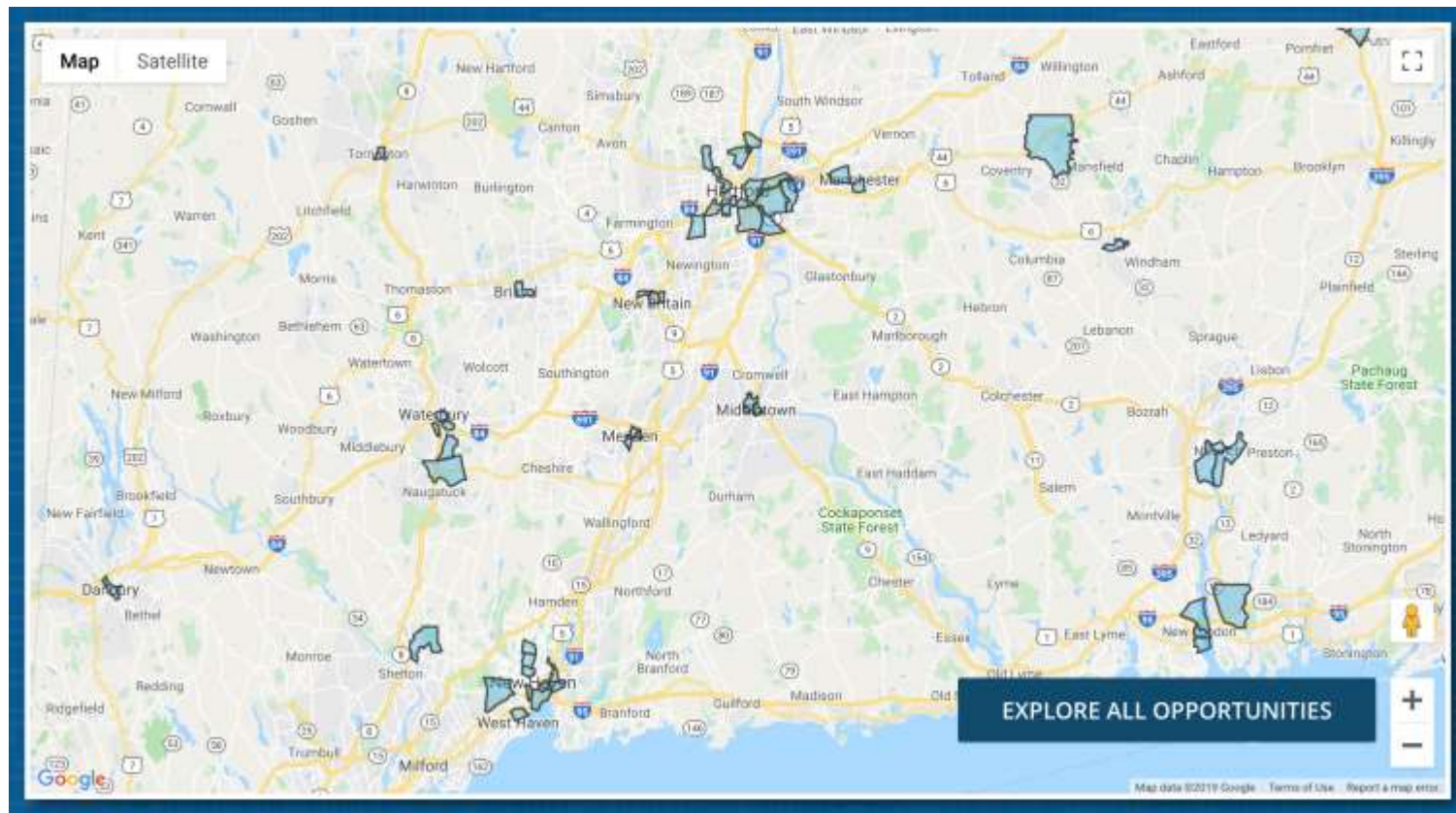
Connecticut®

Opportunity Zone Program

- Created as part of the 2017 federal Tax Cuts & Job Act (P.L. 115-97)
- Spur economic development and job creation in distressed communities by providing federal tax benefits for private investments in the zones.
- Opportunity Zones (designated by census tract) were nominated by state governors & approved by the US Treasury (8,700+ in the US)
- 72 Opportunity Zones designated in 27 CT municipalities
- Significant tax benefits for capital gains invested in Opportunity Zones through a Qualified Opportunity Fund (QOF)
 - Capital gains tax deferral for up to 7 years through Dec 31, 2026
 - Capital gain tax forgiveness – 5 year hold (10% increase in basis) and 7 year hold (additional 5% increase in basis)
 - Exclusion of capital gains tax on QOF investment if held for 10 years or more

Connecticut's Opportunity Zones

72 Opportunity Zones Across 27 Municipalities



CT Legislation Elevates OZs/Breaks Down Silos



- Designates DECD Deputy Commissioner Kooris as the primary point of contact for OZ-related programs
- Allows the Office of the Permit Ombudsman to expedite permit applications of any projects within the states' Opportunity Zones
- Requires DECD in conjunction with DEEP, DOT, DOH, and OPM to conduct an Opportunity Zone study

Facilitating Transfer of Priority Public Sites

Allows DECD to identify, market, and ultimately sell up to ten vacant state-owned properties located in Opportunity Zones



Expanding Existing Programs to Layer Incentives

EXTENDED

- Extends the **Historic Structure Rehabilitation Tax Credits** from 25% to 30% if the project is located in an Opportunity Zone
- Allows DECD commissioner to give preference to projects located in Opportunity Zones for **Urban and Industrial Site Reinvestment Tax Credit Program**
- Allows the commissioner to give preference to **brownfield remediation projects** in Opportunity Zones

Grow Connecticut Incentive Strategy

New 2020 tools to facilitate private sector job creation:

- **Transparent** — clear, simple incentive for companies to evaluate when considering growing in or re-locating to Connecticut
- **Earn-As-You-Grow** — rebate earned as jobs are created/maintained over time which mitigates state exposure to credit/business risk
- **Targeted** – industries and focus areas build on our strengths of today — and the ecosystems we want to grow in our economy of tomorrow

Grow CT

Manufacturing

Corporate
Headquarters

Life Sciences

Entertainment &
Digital Media

Clean Energy

Financial
Services

R&D Facilities

Aerospace/
Defense

Information
Technology

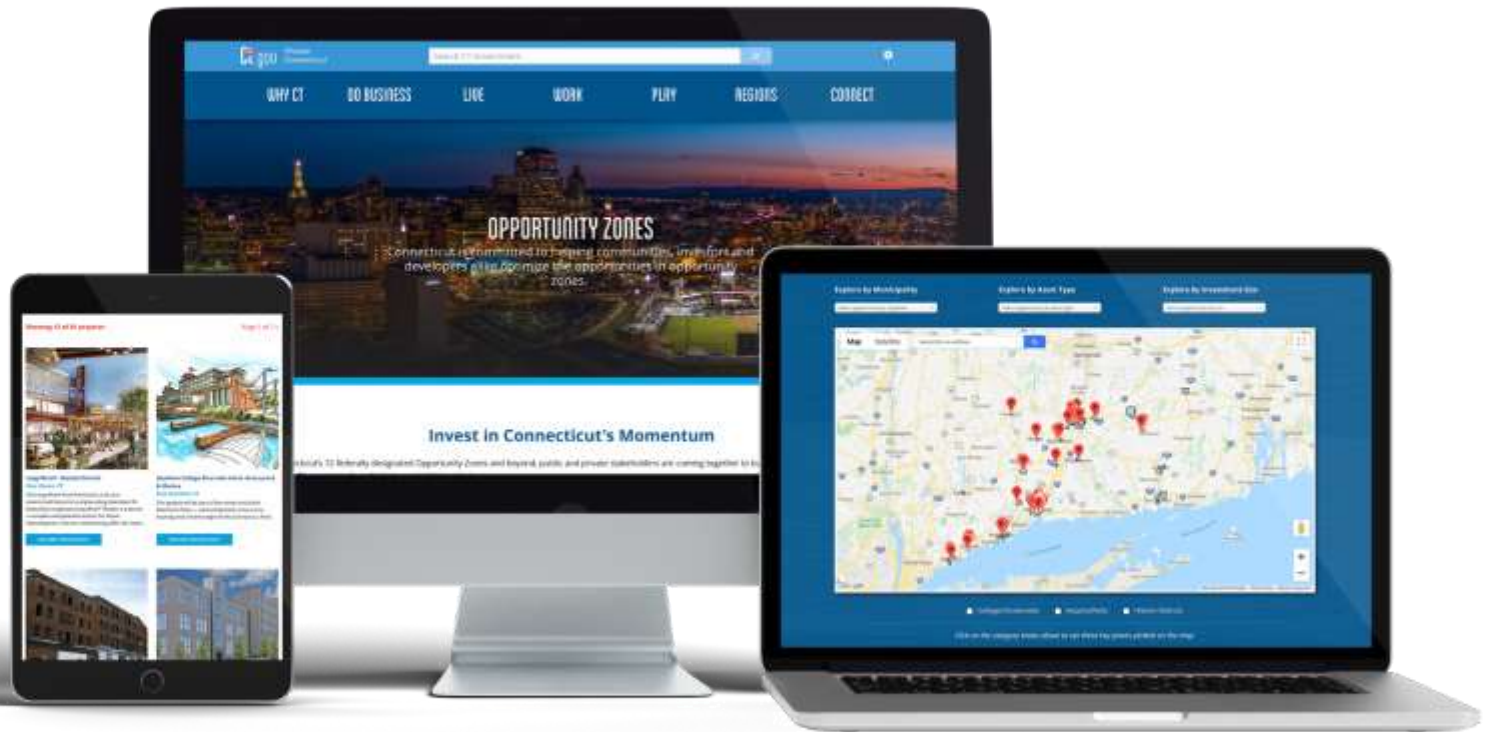
- Eligible employers who create a minimum of 25 new jobs in a Grow CT focus will receive a rebate of 25% of the withholding taxes from the new employment for up to 7 years
- Locate or grow new jobs in one of CT's Opportunity Zones and employers are eligible to retain 50% of the withholding taxes.
- Maximum withholding benefit per job, per year of \$5,000.
- Base incentive rebate in years 3 through 7, years 8 and 9 discretionary



New Website for CT Opportunity Zones

One centralized site bringing together key stakeholders: investors, funds and communities:

CTOpportunityZones.com



What You'll Find on CTOpportunityZones.com

OPPORTUNITY ZONES
Connecticut is committed to helping communities, investors and developers alike optimize the opportunities in opportunity zones.

Invest in Connecticut's Momentum

Across Connecticut's 72 federally designated Opportunity Zones and beyond, public and private stakeholders are coming together to build upon the many benefits Connecticut offers — just a few of which are highlighted below.

- Strategic Northeast location** — ideally situated within 500 miles of one-third of the U.S. economy
- Highly skilled workforce** — which ranks among the top 5 most educated and most productive in the country
- Focus on innovation** — as evidenced by Bloomberg's ranking of CT as the #4 most innovative state in the nation
- Exceptional quality of life** — encompassing our top-ranked pre-k-high school educational systems, our affordable living options, our 40+ colleges/universities, our spectacular scenery and our vibrant arts and culture offerings

Learn more about all the benefits of investing in Connecticut — and its opportunity zones.

Exploring Connecticut's Opportunity Zones

Click on the shaded zones in the map below or search by type of development using the filters under the map. [Explore all opportunities here](#)

- Why Choose Connecticut
- Link to Opportunity Zones map/profiling tool
- Highlighted projects
- Overview of federal tax benefits
- Info on enhanced CT tax credits
- Key contacts
- Additional resources



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