

## **Opportunity Zone Reporting & Reform Act**

Opportunity Zones were established by the 2017 tax law, intended to provide incentives to investors to redeploy their capital to impoverished areas in desperate need of investment. While the goals are well-intentioned, a rushed process and lack of robust oversight by the Treasury Department have left the public wondering if this is merely another in a series of windfalls for the wealthiest few.

Lack of transparency, questionable zone designations, sloppy drafting, and a lax interpretation of rules by the Treasury Department have enabled abuse of Opportunity Zones. The Opportunity Zone Reporting & Reform Act aims to correct these problems and put the program on better footing.

### **The Opportunity Zone Reporting & Reform Act will:**

- **Require robust and public information reporting by all Qualified Opportunity Funds & annual reporting by investors in Opportunity Funds.**  
These requirements will bring desperately needed transparency, allow the Internal Revenue Service (IRS) to ensure taxpayers are complying with the program, and provide policymakers the necessary information to determine whether the program works.
- **Sunset Opportunity Zones that are not impoverished.**  
While the vast majority of Opportunity Zones are truly impoverished areas, some zones exploited rules in the program that allowed non-low income communities to qualify. The legislation would immediately sunset Opportunity Zone designations for any zones that are not low-income.
- **Clarify rules governing Opportunity Zone investments, to ensure investments are actually helping the community.**  
Drafting errors and lax Treasury Department regulations have allowed windfalls for investments long underway before Opportunity Zones were ever designated along with unproductive investments that will allow investors to accrue tax benefits without benefitting the community. The legislation would clarify and tighten the rules governing the program and expand prohibited investments to include stadiums, self-storage, and luxury apartments.
- **Require program review by the Government Accountability Office (GAO).**  
The legislation would require GAO to thoroughly review the Opportunity Zone program, to examine its costs versus benefits, where investment dollars are flowing, and the impact on low-income communities, including those that did not receive designations.