



IRS Extends Many Deadlines for Qualified Opportunity Funds

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June 2020

Recently released [IRS Notice 2020-39](#), provides relief for qualified opportunity funds ("QOFs"), their investors and qualified opportunity zone businesses from many upcoming deadlines due to the Coronavirus. Previously, the IRS extended the 180-day deadline for investors to invest capital gains into a QOF to July 15, 2020.

<https://bhlawpllc.com/publication/irs-extends-deadline-to-invest-in-a-qualified-opportunity-fund/>

The Notice provides relief for the following:

1. An investor with capital gain whose 180-day deadline to invest in a QOF falls on or after April 1, 2020 automatically now has until December 31, 2020 to invest in a QOF.
2. A QOF whose testing dates to meet the requirement that it hold at least 90 percent of its assets in qualified opportunity zone property fall between April 1, 2020 and December 31, 2020 will automatically be deemed to have reasonable cause for failing to meet the requirement and that period will be disregarded for determining whether the QOF satisfies the requirement for any taxable year.
3. The 30-month period in which the QOF must substantially improve original use property is tolled during the period beginning on April 1, 2020 through December 31, 2020.
4. All qualified opportunity zone businesses holding working capital assets covered by the working capital safe harbor before December 31, 2020 have an additional 24 months to expend the working capital assets.
5. If a QOF's 12-month reinvestment period to reinvest any qualified opportunity zone property sold or distributed to the QOF includes January 20, 2020, then the QOF has up to an additional 12 months to reinvest in another qualified opportunity zone property in the manner intended before the pandemic.

Please contact any member of our Opportunity Zone Team to discuss the program and compliance requirements.

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For more Coronavirus related Legal Alerts, please visit our website at:

<http://bhlawpllc.com/important-coronavirus-information/>



For more information or to discuss how changes to tax laws and regulations will impact you or your business, please call or email:

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