

No on HB 4010: Protect Local Investments in Oregon Communities



What Are Opportunity Zones?

An Opportunity Zone ("OZ") is an economically distressed community where private investments may be eligible for deferral of capital gain taxes. OZ's were created to stimulate economic development and job creation by encouraging long-term (10 year) investments in areas with largely low-income residents. Oregon has 86 zones, designated by the Governor.

Why is HB 4010 a Bad Idea?

Opportunity Zones are just getting started. The final federal rules were only issued in December. Projects are underway in Beaverton, Tualatin, Gresham, Reedsport, Albany, McMinnville, Redmond and many other areas of the state. Disconnecting from Opportunity Zones now—even partially—could hurt these projects and prevent others from getting started. We need to give the program time to work, and then evaluate its success and limitations.

Non-resident investors are not subject to Oregon capital gains tax to begin with. HB 4010 only discourages Oregon investors from investing in OZs. With HB4010, Oregon investors will be treated less favorably than out of state investors and may just hold onto their assets, passing them on to their children or doing a 1031-exchange. Oregon will be better off with local investors investing in OZs because they know their communities.

What is the Right Path Forward?

Now that the rules are in place, the program needs a chance to work in Oregon communities. HB 4010 disconnects from Opportunity Zones and then calls for a study to determine whether Oregon should reconnect. This is backwards. Oregon should stay connected to the Opportunity Zone program and evaluate how it is working before considering disconnecting.

Join Communities Across Oregon in Saying Yes to Local Investment by Saying No to HB 4010

Oregon O-Zones

