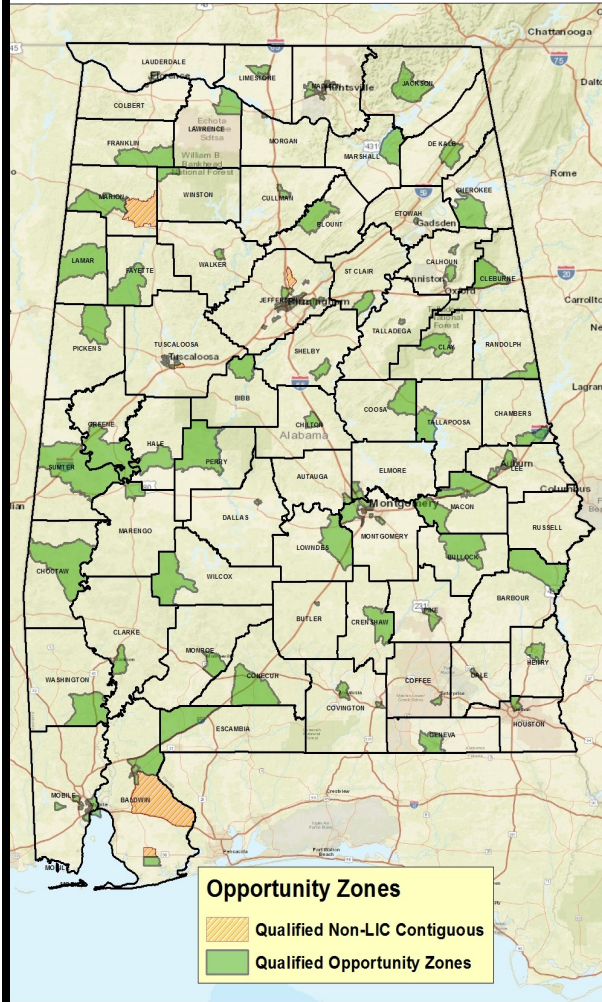


ALABAMA'S OPPORTUNITY ZONES



Interactive map available at adeca.alabama.gov/opportunityzones

FAST FACTS

- 158 nominated opportunity zones
- At least one opportunity zone in each of Alabama's 67 counties
- Size varies from 199 acres to 235,352 acres



401 ADAMS AVENUE

P.O. Box 5690

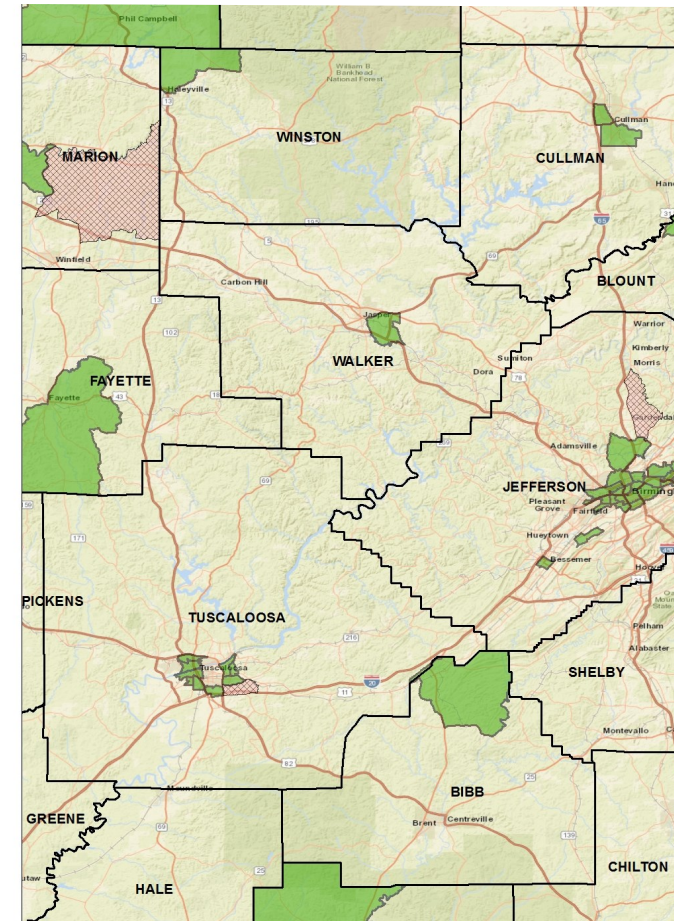
MONTGOMERY, ALABAMA 36103-5690

334-242-5100

ADECA.ALABAMA.GOV/OPPORTUNITYZONES



OPPORTUNITY ZONES 101



INTRODUCING A NEW TOOL FOR
ECONOMIC DEVELOPMENT



The Opportunity Zones program is a new alternative economic development program established by Congress in the Tax Cuts and Jobs Act of 2017 to foster private-sector investments in low-income rural and urban areas. This is a new program with many moving parts. The Alabama Department of Economic and Community Affairs presents this brochure to give you a basic overview of the program and how it is being implemented in Alabama.

WHAT ARE OPPORTUNITY ZONES?

The areas eligible for submission as Opportunity Zones are low-income census tracts with a poverty rate of at least 20 percent and a median family income of less than 80 percent of the statewide or area median income. Census tracts are statistical subdivisions of a county established by the U.S. Census Bureau. Each tract averages between 1,200 and 8,000 in population and the nominated tracts vary in size from 199 acres to 235,352 acres.

HOW CAN THEY BENEFIT MY AREA?

The program provides a federal tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds dedicated for investing in the designated Opportunity Zones.

HOW MANY OPPORTUNITY ZONES HAVE BEEN SELECTED?

Congress empowered governors to nominate Opportunity Zones in their states by using up to 25 percent of their low-income community census tracts. In Alabama, 629 of the state's 1,181 census tracts qualified as low-income community tracts. Of those 629 eligible tracts, Governor Kay Ivey was authorized to select 158 as Opportunity Zones.

WHO SELECTED THEM?

The Governor's Office, with the help of ADECA, identified and selected the 158 Opportunity Zones from the qualifying tracts. There is at least one Opportunity Zone in each of the state's 67 counties.

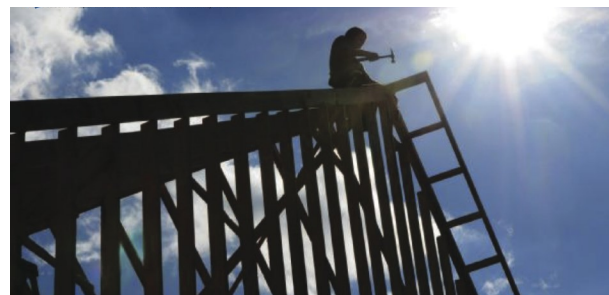
HOW WERE THEY SELECTED?

The Governor's Office and ADECA used an objective methodology that involved input from a variety of resources to determine areas where the program could be most effective. Methods used in the selection process included a county-by-county examination of previous designations as advantage sites or industrial sites, a review of aerial imagery for development activities by ADECA's Geographical Information Systems Unit and data and research compiled by federal, state and local organizations.



WHO APPROVED THE STATE'S NOMINATIONS FOR OPPORTUNITY ZONES?

Alabama's Opportunity Zones were approved by the U.S. Treasury Department and the Internal Revenue Service on April 18, 2018. According to the U.S. Treasury Department, the qualified Opportunity Zones will retain this designation for 10 years. Investors can defer tax on any prior gains until no later than Dec. 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund, an investment vehicle organized to make investments in Qualified Opportunity Zones. In addition, if the investor holds the investment in the Opportunity Fund for at least 10 years, the investor would be eligible for an increase in its basis equal to the fair market value of the investment on the date that it is sold.



WILL THERE BE A WEBSITE WITH A MAP AND MORE INFORMATION?

A webpage with an interactive map and more information about Opportunity Zones is available on ADECA's website at www.adeca.alabama.gov/opportunityzones.

