

**SENATE CONCURRENT
RESOLUTION No. 110**

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:

Senator RONALD L. RICE

District 28 (Essex)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Assemblywoman LINDA S. CARTER

District 22 (Middlesex, Somerset and Union)

Co-Sponsored by:

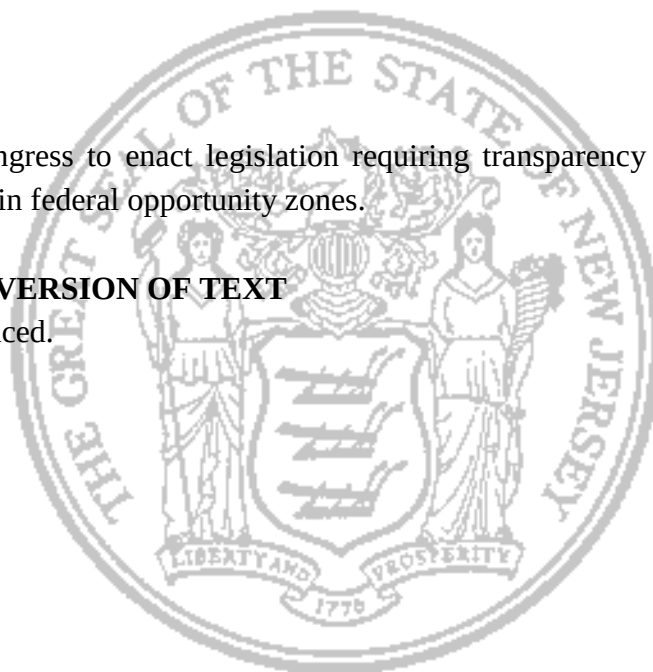
**Assemblyman Holley, Assemblywoman Timberlake, Assemblyman
Spearman, Assemblywomen Speight, Jasey and Vainieri Huttie**

SYNOPSIS

Urges Congress to enact legislation requiring transparency and promoting social equity in federal opportunity zones.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/21/2021)

1 **A CONCURRENT RESOLUTION** urging Congress to enact legislation
2 to require transparency and promote social equity in federal
3 opportunity zones.
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5 **WHEREAS**, The tax benefits established for capital investments in
6 opportunity zones was added to the federal tax code by the
7 federal “Tax Cuts and Jobs Act of 2017,” Pub.L.115-97, to
8 promote economic development and job creation in distressed
9 communities throughout the nation; and
10 **WHEREAS**, Economically distressed communities in New Jersey
11 were nominated for designation as opportunity zones by the
12 Governor and certified by the United States Secretary of the
13 Treasury, and this designation allows new capital gain
14 investments made through opportunity funds to qualify for
15 preferential tax treatment; and
16 **WHEREAS**, Investing in an opportunity zone allows investors and
17 opportunity funds to defer gains, reduce their tax bills, and
18 exclude future gains from taxation; and
19 **WHEREAS**, Opportunity funds work to increase returns on
20 investment, but opportunity zones were also designed to increase
21 the availability of equity capital in designated communities; and
22 **WHEREAS**, In 2008, only seven percent of Americans reported
23 taxable capital gains; and
24 **WHEREAS**, The New York Times has reported that over 200
25 opportunity funds have been established in the United States,
26 with a goal of raising a total of \$57 billion; and
27 **WHEREAS**, The Congressional Joint Committee on Taxation
28 estimates the opportunity zone tax benefits will cost \$2 billion in
29 lost federal revenue annually; and
30 **WHEREAS**, State governments face additional tax losses, if, like
31 New Jersey, the states conform their capital gains tax treatment
32 to federal capital gains tax treatment; and
33 **WHEREAS**, Despite potential tax losses, the federal enabling
34 legislation did not require the United States Department of the
35 Treasury to track investments in opportunity funds or
36 investments made by funds in specific projects; and
37 **WHEREAS**, The New York Times has reported that billions of
38 dollars are being invested through opportunity funds in luxury
39 apartment buildings and hotels, student housing, and storage
40 facilities, with few employees to operate them, and many of
41 these projects were already underway before the certification of
42 opportunity zones; and
43 **WHEREAS**, There is a significant concern that opportunity zone
44 funding will go to capital investment projects that lead to
45 gentrification and community displacement; and
46 **WHEREAS**, The Congress can help ensure that investments in
47 opportunity zones have a positive social impact on local
48 communities; now, therefore,

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