

# Equity Investment for Your Business

Are you thinking of starting or growing your business in an emerging area? Or maybe you're looking for equity investors to take your business to the next level. Consider locating your business in an Opportunity Zone. Opportunity Zones spur private long-term investment in economically distressed communities.

## Does My Business Qualify?

- Was the property acquired by purchase or lease after 12/31/2017?
- Are you the original user of the property, or will you substantially improve it?
- Will at least 70% of the use of the property be in a Qualified Opportunity Zone? (View the map at [OpportunityZones.gov](http://OpportunityZones.gov))
- Will at least 40% of the intangible property be used in the active conduct of your business, and will 50% of your income be derived from the active conduct of the business?
- Is less than 5% of the basis of the business property derived from or considered nonqualified financial property (debt, stock, partnership interest, options, futures or forwards contracts)?
- Your business is not a golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other gambling facility, or a store whose principal business is the sale of alcoholic beverages for consumption off premises.

If you answered "yes" to every question, then you meet the statutory definition of an Opportunity Zone Business. Consult your tax attorney or financial adviser for more details.



*Qualified Opportunity Funds invest in Opportunity Zone businesses and/or real estate ventures. Investors may be able to defer, reduce, or even eliminate federal capital gains taxes when they invest through these funds. If your business qualifies as an Opportunity Zone Business, it could be an attractive investment for these funds.*

*Unlike traditional debt financing for loans, equity investment in your business means that the investors now become partial owners of the business.*

### To Learn More

Contact your local SBA district office at [sba.gov/localassistance](http://sba.gov/localassistance); or visit [www.opportunityzones.gov](http://www.opportunityzones.gov)



U.S. Small Business Administration

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