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An Emerald in the Rough? How Opportunity Zones Can Defer and Exclude for Non-U.S. Investors in U.S. Real Property

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For nearly forty years, non-US persons investing in US real property interests (USRPIs) have become intimately familiar with the complexities of the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). FIRPTA taxes virtually all sales (and many exchanges) of USRPIs by non-US persons and requires 15% of the amount realized from such sales and exchanges to be withheld and remitted to the US Treasury by the buyer or transferor. However, the Tax Cuts and Jobs Act of 2017 (TCJA) introduced the concept of Qualified Opportunity Zones which offer the unique ability to defer, and possibly eliminate, US federal income taxes on certain gains generated by non-US persons with respect to their USRPIs.

Related People



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