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Maryland Volunteer Lawyers Service

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# RESOURCES FOR MVLS VOLUNTEERS: LOOKING FOR PRO BONO CASES?



MARYLAND VOLUNTEER LAWYERS SERVICE

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MVLS

and Justice for All

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# PRO BONO PORTAL

## WELCOME TO THE MVLS PRO BONO PORTAL!

Select a case today by reviewing available cases shown below in real time. You can click "Learn More" to express your interest in the case, or click "Share Case" to forward the available case to a colleague.

If you are not currently a MVLS volunteer, please [click here](#) to register.

By taking a case today, you are helping MVLS to ensure Justice For All.

[All](#) [Bankruptcy](#) [Debt Collection](#) [Deed Transfer](#) [Estates](#) [Expungement](#) [Family](#) [Foreclosure/Tax Sale](#) [Landlord-Tenant](#) [Tax](#) [Other Category](#)

Search ...   All Counties

<h3>Single Mom Can't Afford A Large Payment</h3> <p>Client is being sued by her former landlord for \$4146.59. She admits she owes some but not all of the debt and is hoping to reduce the amount she has to pay. Court date set for 7/20/18 at 1:30pm.</p> <table border="1"><thead><tr><th>Location:</th><th>Ref. #:</th><th>Case Type:</th></tr></thead><tbody><tr><td>Baltimore County</td><td>18-0138741</td><td>Debt Collection</td></tr></tbody></table> <p><a href="#">Share Case</a> <a href="#">Learn More</a></p>	Location:	Ref. #:	Case Type:	Baltimore County	18-0138741	Debt Collection	<h3>I Admit To The Debt, But Can We Negotiate A Settlement.</h3> <p>Client is being sued for \$933.00 for failing to make payments towards a debt. Client agrees that she owes the debt. There are no judgments entered in the case. Client has paid approximately \$300 toward the debt and would like to work out a settlement for the remaining. Affidavit Judgment Hearing: 7/23/18 at 1:00PM. Trial: 8/3/18 at 9:00AM.</p> <table border="1"><thead><tr><th>Location:</th><th>Ref. #:</th><th>Case Type:</th></tr></thead><tbody><tr><td>Washington</td><td>18-0138685</td><td>Debt Collection</td></tr></tbody></table> <p><a href="#">Share Case</a> <a href="#">Learn More</a></p>	Location:	Ref. #:	Case Type:	Washington	18-0138685	Debt Collection	<h3>You Have Left Me No Other Choice But To File For Rent Escrow.</h3> <p>Client wishes to initiate a rent escrow case after nothing has been done to make repairs. Client has lived in the property since October 2016 and problems in the unit began in December 2017. To date LL, has not tried to resolve the mold issue, flooding, falling attic stairs, and the hole in the ceiling.</p> <table border="1"><thead><tr><th>Location:</th><th>Ref. #:</th><th>Case Type:</th></tr></thead><tbody><tr><td>Baltimore County</td><td>18-0138671</td><td>Landlord-Tenant</td></tr></tbody></table> <p><a href="#">Share Case</a> <a href="#">Learn More</a></p>	Location:	Ref. #:	Case Type:	Baltimore County	18-0138671	Landlord-Tenant
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Baltimore County	18-0138671	Landlord-Tenant																		
<h3>Landlord Requests The Move, Now Refusing My Security Deposit.</h3> <p>Client filed suit against her previous Landlord for the return of her security deposit and three times the amount. Client only lived in the property for 3</p>	<h3>Looking Towards A Fresh Start</h3> <p>Client seeks help with expunging her criminal record.</p>	<h3>Here's To New Beginnings!</h3> <p>Client seeks to go over her criminal record with a volunteer and to have the eligible cases expunged from her record.</p>																		

**FREE RECORDED TRAININGS:**  
**GO TO [MVLSLAW.ORG/RECORDED-TRAININGS](https://mvlslaw.org/recorded-trainings)**

Recordings of past trainings are available in the following categories:

- Consumer
- Estate Planning & Estate Administration
- Expungement
- Family Law
- Housing
- Human Trafficking Prevention
- Tax
- Miscellaneous (business and soft skills)

# NOT A VOLUNTEER?

## SIGN UP TODAY!

The screenshot shows the homepage of the Maryland Volunteer Lawyers Service (MVLS). The background features a repeating pattern of the organization's logo and the slogan "...and Justice for All". The logo includes the text "EST. 1960" and "MVL".

**MARYLAND VOLUNTEER LAWYERS SERVICE**

Navigation menu: [About](#) [Work](#) [Get Help](#) [Volunteer](#) [News & Events](#) [Pro Bono Portal](#) [Donate](#)

Dropdown menu (under "Volunteer"):

- Ways to Get Involved
- Apply to Be A Volunteer Lawyer
- Attorney Resources
- Recorded Trainings
- Pro Bono Portal
- Forms
- MVLS CAN (Community Advocacy Network)

Buttons:

- [DONATE](#) (teal)
- [GET HELP](#) (teal)
- [EN ESPAÑOL](#) (teal)
- [WATCH VIDEO](#) (white)



# UPCOMING EVENTS

A Taste for Pro Bono

Tuesday, March 31, 2020

Union Craft Brewing – 6-9 pm

1700 W. 41<sup>st</sup> Street, Baltimore, Maryland 21211

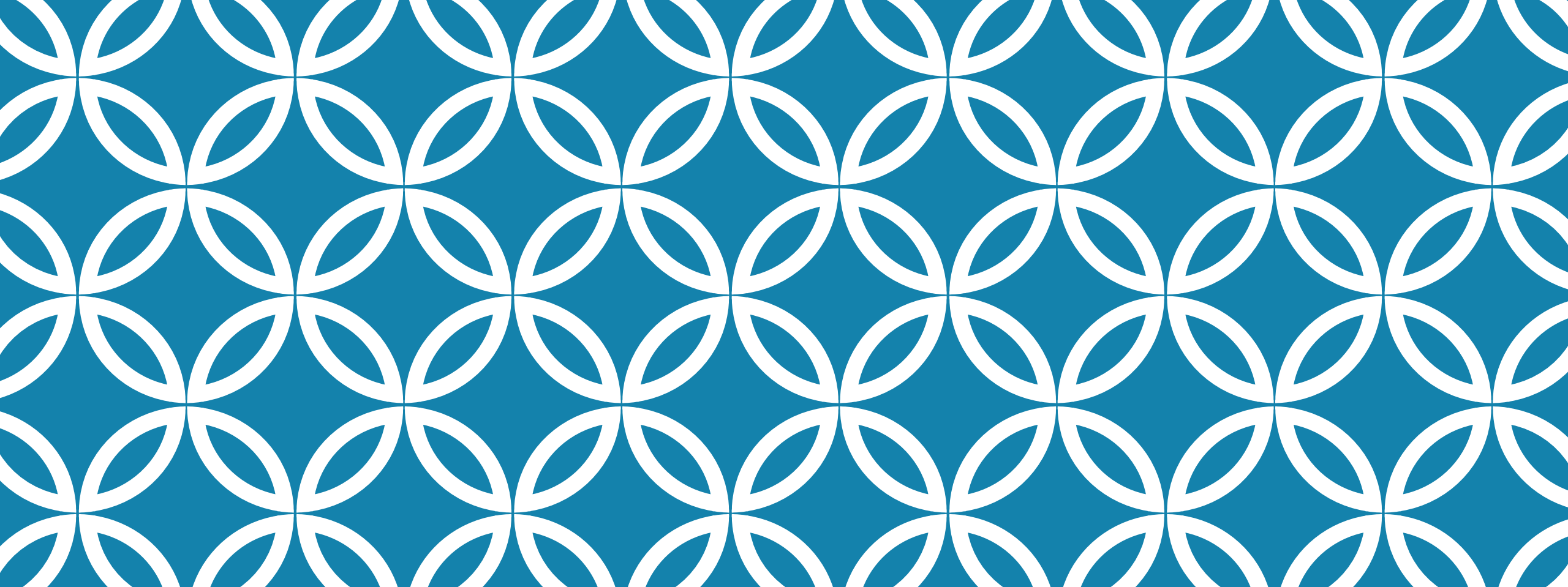
Bar Association of Baltimore City Litigation Committee and Young Lawyers Division Networking and Happy Hour

Tuesday, April 21, 2020

Little Havana – 5-9 pm

1325 Key Hwy, Baltimore, MD 21230

Baltimore Barrister Winter Issue – Business Litigation Committee



# GET IN THE ZONE: OPPORTUNITY ZONES

Michael March  
Attorney Rosenberg Martin  
Greenberg, LLP

# WHAT IS AN OPPORTUNITY ZONE?

The Tax Cuts and Jobs Act provided 26 U.S.C. Section 1400Z-1 and 1400Z-2.

An opportunity zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as opportunity zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

<https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions#general>

The purpose behind creating opportunity zones was to spur economic development and job creation in distressed communities.



# TAX BENEFITS

Investments held for five years: 10 percent reduction of gain that was deferred. 1400Z-2(b)(2)(B)(iii).

Investments held for seven years: 15 percent reduction of gain that was deferred. 1400Z-2(b)(2)(B)(iv).

Investments held for ten years: basis of property is adjusted to fair market value.

# BASIC RULES — AN OVERVIEW

1. Taxpayer must sell a qualified capital gain.
2. Taxpayer has 180 days to reinvest an eligible gain into a qualified opportunity fund.
3. The opportunity fund must acquire property within an opportunity zone after December 31, 2017.
4. Taxpayer must “substantially improve” the new property within 30 months.

\*This is not an exhaustive list. It is a brief overview.

# THE EXAMPLE

On January 1, 2020, Taxpayer A sells his restaurant in Fells Point for \$1,000,000. Five years ago, Taxpayer A purchased the restaurant for \$250,000.

On February 15, 2020, Taxpayer A purchases a vacant building in South Baltimore. Fortunately for Taxpayer A, the vacant building is located in an opportunity zone.

How do the foregoing rules apply to Taxpayer A?

# WHAT IS A QUALIFIED CAPITAL GAIN?

Generally, sale of stock or real estate with an unrelated party.

Capital asset 26 U.S.C. Section 1221.

However, three general requirements:

1. Gain must be recognized before January 1, 2027.
2. Eligible gain is not a gain generated by a transaction with a related party. Related parties are family members, corporations or partnership with at least 20% interest, two corporations which are members of the same controlled group.
3. The gain cannot be previously used in an opportunity zone context (no double counting).

Depreciation recapture is not available, but Section 1231 assets are available.

# WHAT IS A QUALIFIED OPPORTUNITY FUND

A qualified opportunity fund is a corporation or partnership organized to facilitate investment in an opportunity zone.

Generally, it is an LLC that elects to be treated as either a partnership or corporation for federal tax purposes.

- 90% Rule – 90% or more of its assets must be invested in qualified opportunity zone property. Note, two tier structure vs. one tier structures. There is a penalty for failure to maintain 90%.

Taxpayer self certifies that the LLC is a qualified opportunity zone fund and defers the gain on IRS Form 8949. Taxpayer must also fill out IRS Form 8997 and 8996 depending on the facts.

Taxpayer has 180 days to place the gain in the qualified opportunity zone fund.

Consider where the land is located, where the LLC is formed, the relevant purpose of the LLC – RESEARCH THE LAND

Consider creating new operating agreements.

# PROPERTY MUST BE ACQUIRED AFTER 12/31/2017

The statute requires that the opportunity zone fund must acquire opportunity zone property after December 31, 2017. However, what if an investor already owns opportunity zone property?

A ground lease which mirrors that of an arms length transaction is permissible.

“Market Rate Lease”

If lessor and lessee are related the proposed regulations do not permit a prepayment to the lessor (or a person related to the lessor) for leased tangible property that exceeds 12 months.

# SUBSTANTIAL IMPROVEMENT AND ORIGINAL USE

Taxpayer must substantially improve the property within 30 months of acquisition. A substantial improvement is at least doubling the adjusted basis in the property not including the land.

Taxpayers need a detailed plan of how the funds will be spent.

Back to the vacant building. Assume the \$250,000 was \$100,000 for land and \$150,000 for the building. A substantial improvement would be at least \$150,000.

Original use: if this is the property's original use within the opportunity zone there is no substantial improvement requirements. There are also no substantial improvement requirement for leasing transactions.

There are also special rules for abandoned buildings. If the building was abandoned for more than five years prior to the acquisition any use is an original use and does not require substantial improvement. Also, three years vacant after the surrounding area was designated as a qualified opportunity zone.

# CERTAIN BUSINESSES ARE EXCLUDED

“Sin businesses”

1. Any private or commercial golf courses.
2. Country club.
3. Massage parlor.
4. Hot tub facility
5. Suntan facility
6. Racetrack or other facility used for gambling.
7. Any store whose principal business of which is the sale of alcoholic beverages for consumption off the premises.

What about a dispensary?



# WHAT IS AN INCLUSION EVENT? AKA CAN I GET THE CAPITAL GAINS BACK OUT

The following items are considered inclusion events:

1. A taxable disposition: sale of a qualifying investment, partnership interest or investment in a corporation.
2. Sale that results in more than a 25% percent in S corporation interest.
3. In certain cases, a transfer by a partner of an interest in a partnership that directly or indirectly holds a qualifying investment.
4. A transfer by gift of a qualifying investment.
5. A distribution to a partner that has a value in excess of basis of the partner's qualifying partnership interest.

This is not an exhaustive list. Consider whether the taxpayer is “cashing out” of their investment. Also note the two year rule.



# CONTACT INFORMATION

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