



PRESS RELEASE

For Immediate Release

For questions please contact:

Lisa McCarthy, NW Illinois Economic Development (NWILED) @ 815-858-4491

Northwest Illinois is Selected for Economic Development Opportunity Zones

Northwest Illinois Economic Development (NWILED) is pleased to announce it has secured Opportunity Zone status from the state of Illinois for census tracts that include Stockton, Illinois, properties contiguous to Stockton, as well as Savanna, IL. Established by the Federal Tax Cuts and Jobs Act of 2017, Opportunity Zones are an economic development tool designed to spur economic development and job creation in distressed communities by providing tax benefits to investors.

On April 20, 2018, Governor Bruce Rauner submitted the allowable 327 of the 1,305 qualifying census tracts to the federal government for inclusion in the Opportunity Zone program. The zones selected in Jo Daviess County and Carroll County are two of 327 Opportunity Zones approved in the state. The next closest Opportunity Zones in Illinois are located in Freeport and Sterling.

For a map of Opportunity Zones in northwest Illinois, visit <https://www.illinois.gov/dceo/Pages/OppZn.aspx>.

“We’re pleased to have this opportunity to offer tax advantages for new investments in the region,” said Lisa McCarthy, executive director of Northwest Illinois Economic Development. The residents of Stockton and surrounding areas, and Savanna have shown strong commitments to growing their communities. The Opportunity Zone designation will provide additional incentives for business development.”

The Opportunity Zone application process followed a 3-phase approach to identify need and potential, adequately represented the entire state, and accounted for local input. A major emphasis was placed on need-based indexing based on factors such as poverty rates, specifically among children, unemployment rates, crime rates and population. The state submitted their census tract recommendations to the U.S. Treasury Department, which approved those recommendations.

Opportunity Zones present opportunities for private, tax-free investment in low-income areas with economic need, benefiting residents living in those areas, as well as private investors. The Opportunity Zone program encourages long-term investment by allowing investors to re-invest unrealized capital gains in designated census tracts. First, investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in basis equal to the fair market value of the investment on the date that the investment is sold or exchanged.

“The Opportunity Zone involved a rigorous application process,” McCarthy says. “NWILED partnered with local municipalities and Blackhawk Hills Regional Council to develop proposals that met the federal guidelines and provided opportunities for heightened business activity.”

Additional information about Opportunity Zones will be available over the next few months, with the Treasury Department and the Internal Revenue Service providing further details, including additional legal guidance, on these new incentives. More information will be available at [Treasury.gov](https://www.treasury.gov) and [IRS.gov](https://www.irs.gov). Northwest Illinois Economic Development is available to answer questions at 815-858-4491.

Northwest Illinois Economic Development (NWILED) is a private, not-for-profit 501(c)6 corporation that advances economic prosperity in Northwest Illinois by fostering business growth in the Northwest Illinois counties of Jo Daviess, Carroll and Whiteside.

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