

# Opportunity Zone

In 2018, the U.S. Treasury made opportunity zone designations across the country to encourage long-term investments through a federal tax incentive. This new tax incentive pertains to both the capital gains invested initially through a qualified opportunity fund, as well as capital gains earned for the investor from businesses or projects in a zone. There are four Opportunity Zones in Salem:

- Downtown
- North Downtown
- Area surrounding the Salem Airport
- West Salem

Additional information may also be found at [Business Oregon](#).

Gains transferred into a qualified opportunity fund within 180 days will have their tax liability delayed or deferred until December 31, 2026, at the latest. The taxpayer decides how much of the realized gains to invest, when to sell or exit that investment, and whether to invest additional funds.

In addition to deferring income taxes, by the time the investment of tax-deferred gains in the opportunity zone is sold or the end of 2026, whichever is earlier the following applies:

- If the value increases and it is held in the fund for at least five years, the amount subject to taxes shrinks by 10%
- If the value increases and it is held in the fund for at least seven years, the amount subject to taxes shrinks by 15% (10% for the five years plus 5% for each consecutive year)
- If the value decreases, the amount subject to taxes is effectively the fair market value

See the map tool to locate the four opportunity zones in the City of Salem.

[View a full-screen version of this map in a new window.](#)

