

116TH CONGRESS
1ST SESSION

H. R. 5011

To amend the Internal Revenue Code of 1986 to require reporting by qualified opportunity funds.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2019

Mr. KIND (for himself, Mr. KELLY of Pennsylvania, and Ms. SEWELL of Alabama) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to require reporting by qualified opportunity funds.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Opportunity Zone Ac-
5 countability and Transparency Act”.

6 **SEC. 2. REPORTING REQUIREMENTS FOR QUALIFIED OP-**
7 **PORTUNITY FUNDS.**

8 (a) IN GENERAL.—Subpart A of part III of sub-
9 chapter A of chapter 61 of the Internal Revenue Code of

1 1986 is amended by inserting after section 6039J the fol-
2 lowing new section:

3 **“SEC. 6039K. RETURNS BY QUALIFIED OPPORTUNITY**
4 **FUNDS.**

5 “(a) IN GENERAL.—Every qualified opportunity fund
6 shall electronically file an annual return which contains
7 the information described in subsection (b).

8 “(b) INFORMATION REQUIRED.—The information de-
9 scribed in this subsection is as follows:

10 “(1) FUND INFORMATION.—

11 “(A) The name, address, and TIN of the
12 qualified opportunity fund.

13 “(B) The entity classification of the quali-
14 fied opportunity fund, such as whether such
15 fund is a partnership, C corporation, S corpora-
16 tion, or real estate investment trust.

17 “(C) Certification that the purpose of the
18 qualified opportunity fund is investing in quali-
19 fied opportunity zone property.

20 “(D) The total assets held by the qualified
21 opportunity fund determined as of each meas-
22 urement date in the reporting period.

23 “(E) The aggregate amount of each of the
24 following which is held in the qualified oppor-

1 tunity fund as of each measurement date in the
2 reporting period:

3 “(i) Qualified opportunity zone stock.

4 “(ii) Qualified opportunity zone part-
5 nership interests.

6 “(iii) Qualified opportunity zone busi-
7 ness property.

8 “(F) As of each measurement date in the
9 reporting period, the aggregate amount of in-
10 vestments in the qualified opportunity fund
11 which are described in section 1400Z-
12 2(e)(1)(A)(i) and the ratio of such investments
13 to all investments in such fund.

14 “(2) INFORMATION REGARDING QUALIFIED OP-
15 PORTUNITY ZONE CORPORATIONS AND PARTNER-
16 SHIPS.—With respect to each corporation or part-
17 nership any qualified opportunity zone stock or
18 qualified opportunity zone partnership interest of
19 which is held by the qualified opportunity fund:

20 “(A) The name, address, and TIN of each
21 such corporation or partnership.

22 “(B) Certification that such corporation or
23 partnership satisfies each of the requirements
24 of subclauses (I), (II), and (III) of section
25 1400Z-2(d)(2)(B)(i) or clauses (i), (ii), and

1 (iii) of section 1400Z–2(d)(2)(C) (as the case
2 may be) with respect to the qualified oppor-
3 tunity fund.

4 “(C) The total investment by the qualified
5 opportunity fund in such corporation or part-
6 nership determined as of each measurement
7 date in the reporting period.

8 “(D) The percentage of stock in such cor-
9 poration, or interest in such partnership (as the
10 case may be) which is held by the qualified op-
11 portunity fund (determined separately on the
12 basis of both vote and value) as of each meas-
13 urement date in the reporting period.

14 “(3) INFORMATION REGARDING QUALIFIED OP-
15 PORTUNITY ZONE BUSINESSES.—With respect to
16 each trade or business carried on by any corporation
17 or partnership referred to in paragraph (2) and each
18 trade or business with respect to which the qualified
19 opportunity fund holds qualified opportunity zone
20 business property (and determined as of each meas-
21 urement date in the reporting period):

22 “(A) The principal line of business of the
23 trade or business.

24 “(B) With respect to any real property
25 used in such trade or business—

1 “(i) the address of such real property,

2 “(ii) whether such real property is
3 owned or leased by such corporation, part-
4 nership, or fund,

5 “(iii) the square footage of any build-
6 ings which are part of such real property,

7 “(iv) the number of residential units
8 which are part of such real property, and
9 the number of such units which are rental
10 units, and

11 “(v) to the extent known by such cor-
12 poration, partnership, or fund, the number
13 of residential rental units that are part of
14 such property which are occupied by indi-
15 viduals whose income is 50 percent or less
16 of area median gross income (within the
17 meaning of section 42(g)(1)(A)).

18 “(C) With respect to any property held by
19 such corporation, partnership or fund, and used
20 in such trade or business, the qualified oppor-
21 tunity zone in which such property is primarily
22 used and the aggregate value of the investment
23 in such property used in such zone, separately
24 stated with respect to each of the following cat-
25 egories of property (and separately stated with

1 respect to each such category on the basis of
2 whether such property is owned or leased):

3 “(i) Real property (including improve-
4 ments to real property).

5 “(ii) Improvements to real property.

6 “(iii) Tangible personal property.

7 “(iv) Intangible property (excluding
8 leases of real or tangible personal prop-
9 erty).

10 “(v) Any other property.

11 “(D) The number of employees (stated in
12 full-time equivalents) employed in such trade or
13 business.

14 “(4) OTHER INFORMATION.—Such other infor-
15 mation as the Secretary may reasonably require.

16 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
17 poses of this section—

18 “(1) IN GENERAL.—Any term used in this sec-
19 tion which is also used in subchapter Z of chapter
20 1 shall have the meaning given such term in such
21 subchapter.

22 “(2) MEASUREMENT DATE.—The term ‘meas-
23 urement date’ means—

24 “(A) the date referred to in subparagraph
25 (A) of section 1400Z-2(d)(1), and

1 “(B) the date referred to in subparagraph
2 (B) of such section.

3 “(3) REPORTING PERIOD.—The term ‘reporting
4 period’ means the taxable year for which the report
5 under this section is made.

6 “(d) REGULATIONS.—The Secretary shall prescribe
7 such regulations as may be necessary to carry out the pur-
8 poses of this section, including the time and manner of
9 filing the return required under subsection (a).

10 “(e) PUBLIC AVAILABILITY OF RETURNS.—Annual
11 returns filed under this section shall be made available by
12 the Secretary to the public as soon as practicable in a ma-
13 chine readable format. Prior to making any return avail-
14 able to the public under this subsection, the Secretary
15 shall redact any individual’s TIN which appears in such
16 return.”.

17 (b) PENALTY FOR FAILURE TO FILE COMPLETE AND
18 CORRECT RETURN.—Section 6652 of such Code is amend-
19 ed by adding at the end the following new subsection:

20 “(q) FAILURE OF QUALIFIED OPPORTUNITY FUND
21 TO FILE CORRECT INFORMATION RETURN.—In the case
22 of a qualified opportunity fund’s failure to file a complete
23 and correct return under section 6039K at the time and
24 in the manner prescribed therefor, unless it is shown that
25 such failure is due to reasonable cause and not to willful

1 neglect, there shall be paid (upon notice and demand by
2 the Secretary and in the same manner as tax) by such
3 fund \$500 for each day during which such failure con-
4 tinues. The maximum penalty under this subsection on
5 failures with respect to any 1 return shall not exceed
6 \$200,000.”.

7 (c) COLLECTION AND AVAILABILITY OF STATISTICAL
8 INFORMATION.—The Secretary of the Treasury, or the
9 Secretary’s designee shall—

10 (1) collect and compile statistical information
11 with respect to each qualified opportunity zone, in-
12 cluding the number of qualified opportunity funds
13 that have made an investment in each qualified op-
14 portunity zone, the aggregate amount of investment
15 in each zone by qualified opportunity funds, and
16 such other metrics concerning job creation, poverty
17 reduction, and community and economic develop-
18 ment that the Secretary considers appropriate, and

19 (2) make such information available to the pub-
20 lic on an annual basis.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to reports for taxable years ending
23 after the date of the enactment of this Act.

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