# Real Estate Tax Deadlines Extended for Opportunity Zones, Low-Income Housing Credit, and Like-Kind Exchanges


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**Insight — 04/15/2020**

In Notice 2020-23, issued April 9, 2020, the IRS extended almost all deadlines, including for time-sensitive actions related to like-kind exchanges, low-income housing credits, and opportunity zones.

**Extension for Qualified Opportunity Zone Investments**

Notice 2020-23 also extends the deadline for actions related to investing in a qualified opportunity fund ("QOF") under Section 1400Z-2 of the Internal Revenue Code. Taxpayers required to invest capital gains in a QOF during a 180-day period that ends on or after April 1, 2020, and before July 15, 2020, now have until July 15, 2020, to do so. The extension does not apply to increase the amount of time a QOF has to meet certain investment requirements or can utilize the working capital safe harbor. The guidance also does not extend the time period during which taxpayers can take advantage of the opportunity zone program generally. More information can be found on our Opportunity Zone resource site.

**Extensions for Like-Kind Exchanges**

Notice 2020-23 extends the deadline for time-sensitive actions related to like-kind exchanges under Section 1031 of the Internal Revenue Code. Taxpayers required to identify replacement property or complete exchanges on or after April 1, 2020, and before July 15, 2020, now have until at least July 15, 2020, to do so. Similar extensions apply to reverse exchanges under Revenue Procedure 2000-37. More information can be found under the Real Estate section of the Resource site.

**Extensions for Low-Income Housing Tax Credit Investments**

In Rev. Proc. 2020-23 issued April 8, 2020, the IRS extended the deadline for certain time-sensitive actions with respect to low-income housing tax credits, including certain measurement periods, elections and certifications.

Taxpayers that were required to complete such actions on or after April 1, 2020, and before July 15, 2020, now have until July 15, 2020, to do so.

The guidance allows for an extension of:

- the 24-month measuring period in which to spend the requisite amount of rehabilitation expenditures under IRC Section 42(e)(3) in order to qualify for treatment as a separate new building;

- annual certification requirements to be delivered to state housing authorities pursuant to Treas. Reg. § 1.42-5(c)(1);
- annual income certifications required from each low-income tenant by Treas. Reg. § 1.42-5(c)(1)(iii);
- elections of the appropriate percentage for the month tax-exempt bonds are issued under Treas. Reg. § 1.42-8(b);
- the time allowed to sell an existing building after acquisition by foreclosure of any purchase-money security interest under IRC Section 42(d)(2)(D)(i)(IV) without affecting whether such building has previously been placed in service;
- the requirement to meet the minimum set-aside requirements under IRC Section 42(g)(3)(A) by the end of the first year of the credit period;
- the requirement to spend 10% of the reasonably expected basis within one year of the carryover allocation as required under IRC Section 42(h)(1)(E); and
- the one-year grace period to secure an extended low-income housing agreement if it is determined that such agreement was not in effect as of the beginning of the tax year under IRC Section 42(h)(6)(J).

There are no filing or other special requirements to take advantage of these extensions.

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*seek the advice of your legal counsel.*