

Opportunity Zone Tax Incentives with Park View OZ

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Park View OZ's SEC filings may be found at: EDGAR Search Results (sec.gov)

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Top 10 OBBBA Changes

- 1. Permanent individual income tax rates
- 2. State & local tax (SALT) deduction cap increase
- 3. 100% bonus depreciation made permanent
- 4. Immediate deduction for domestic R&E
- 5. New qualified production property depreciation

- 6. Alternative Minimum Tax (AMT) changes for individuals
- 7. Expanded and enhanced Qualified Small Business Stock
- 8. Business interest expense limitation relaxed
- 9. Standard deduction / senior / special deductions
- 10. Charitable deduction changes for nonitemizers and itemizers



Are QOF Tax Incentives the Hidden Gem of OB3?

- Broadly applicable: Any recent capital gain is eligible.
- "Roth-like" tax-free compound growth for 30 years without income or annual contribution restrictions.
- Deferral strategies are a "Swiss Army Knife" for tax planning.



Winning and Retaining Clients

Most tax planning presentations do not stand out because they rely on similar tools and approaches.

OZ tax incentives enable distinctive tax planning that delivers tangible value.

Demonstrates that you are current on the tax code. It may also highlight that your competitor is not.



Value of Tax Planning for Your Business

- Higher margins
- Year round, recurring revenue
- Improved customer retention
- Deeper client relationships
- A tangible way to add value



Agenda

Part 1: OZ Foundational Knowledge

Part 2: Park View OZ – Enabling Tax Planning

Part 3: QOF Long-term – Compliment to Roth IRAs

Part 4: QOF Short-term – Bridge Strategy / Swiss Army Knife for Tax Planning



Part 1: OZ Basics



New Incentives of a QOF

The ability to move a recognition date to a later tax year. Additionally, if you stay in the same QOF for 5 years there is a 10% tax elimination benefit.

The potential to grow the QOF investment tax free for up to 30 years. This is Roth IRA-like but without the annual contribution caps or income limits.



What is a Qualified Opportunity Fund (QOF)?

QOFs are the entity through which the Internal Revenue Service oversees opportunity zone compliance.

You must invest through a QOF to be eligible for opportunity zone tax incentives.

QOFs must invest 90% of their assets in qualified opportunity zone property (QOZP).

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What is an Opportunity Zone?

OZs are census tracts that qualify as low-income communities.

Census tracts are typically 2,000 to 8,000 in population.

Across the country, there are more than 8,764 opportunity zones. (Approximately 11% of the country's census tracts).

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What Capital is Eligible for QOF Benefits?

Only the capital gain portion of the sales proceeds is eligible for the tax incentives.

Almost any type of capital gain is eligible.

- Capital which was not at risk does not qualify such as carried interest.
- Real estate, stocks, collectibles, bitcoin, selling a business etc., are all eligible.

The capital gain (not including principal) must be reinvested in a QOF within 180 days. The rules governing the starting date of the 180 days can be generous.

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Who is Eligible for QOF Benefits?

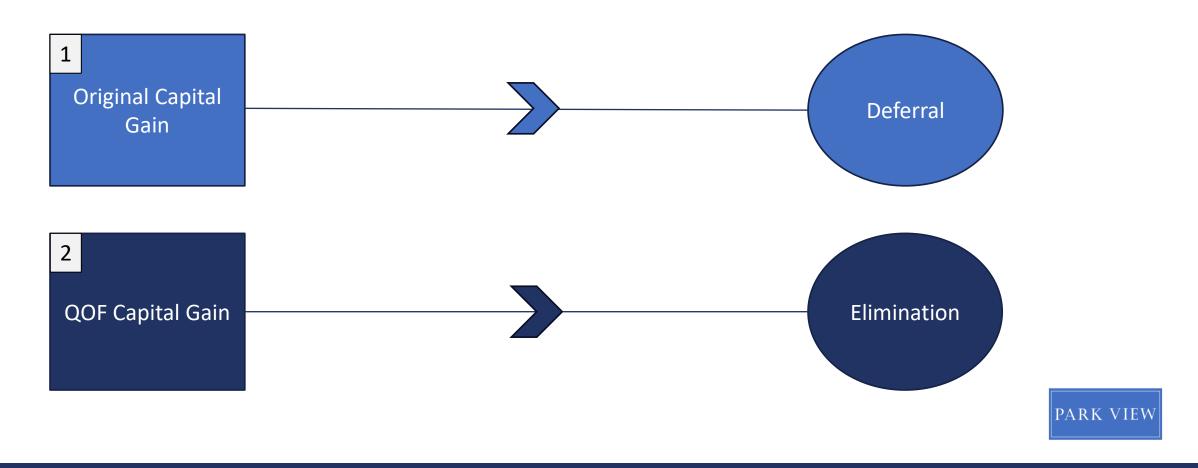
Anyone with a realized capital gain owed to the IRS.

- Foreign or domestic
- Could be an individual, corporation, a REIT, trust or partnership

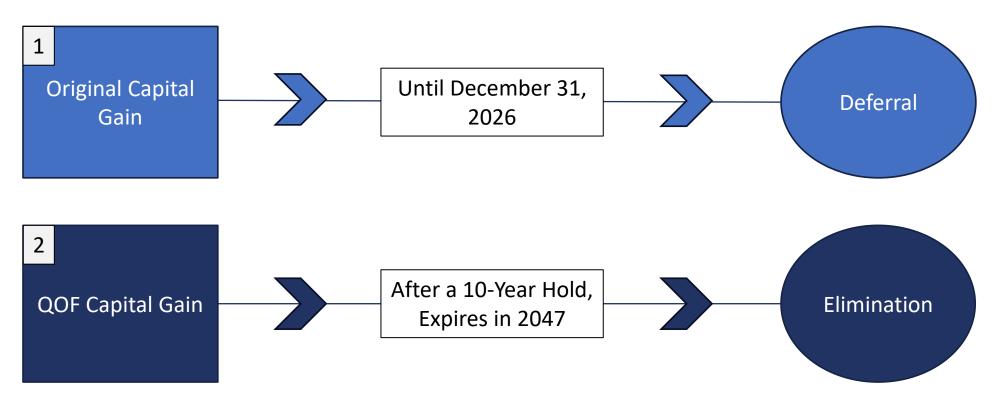
Mixed assets - Only the capital gain investment qualifies for the tax benefits, but investing non-capital gains funds is allowed.



QOF Benefits Illustration



TCJA QOF Benefits Illustration



QOF investments made prior to January 1, 2027

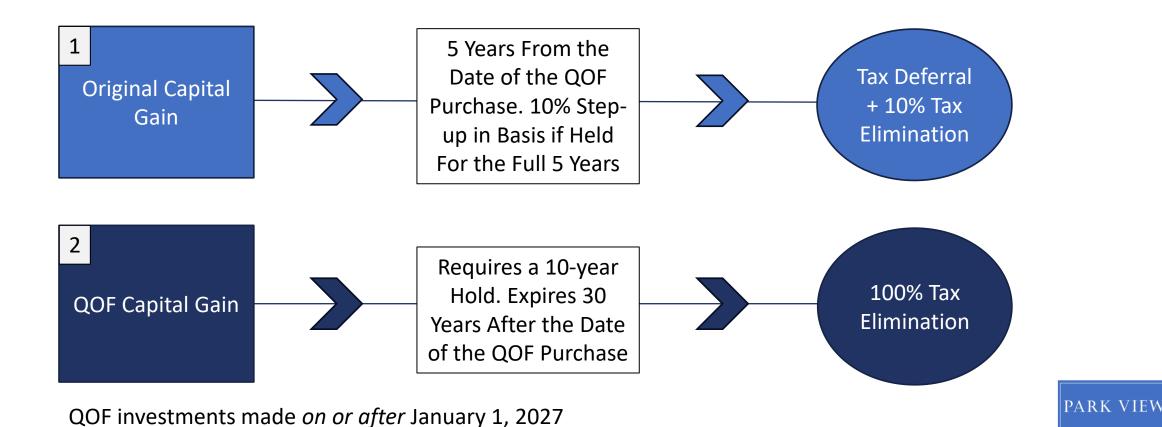
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Three Big OZ Changes - One Big Beautiful Bill (OB3)

- The opportunity zone program is now a permanent part of the U.S. tax code.
- The tax deferral benefit has been extended to last for 5 years from the date of the QOF investment. Additionally, if you hold the QOF for the full 5 years, 10% of the capital gain liability will be eliminated.
- The tax elimination benefit has been enhanced and now has a duration of 30 years from the date of the QOF investment.



OB3 QOF Benefits Illustration



Part 2: Enabling QOF Tax Planning - Park View OZ



A Once In a Generation Tax Incentive

Powerful, versatile, and broadly applicable

More than 100 billion dollars have been invested in QOFs

Only a narrow base of investors have participated – private equity and family offices primarily



Project Specific OZs

The majority of QOFs are single-project private equity deals

Effective tax strategy for the investor

Delays compensation for the developer / manager



For Tax Planning QOFs = A.I.V.

- K-1 (partnership) tax forms are notoriously difficult and often late
- Accreditation requirements
- Partnership Minimums: Only recent capital gains get the benefits
- Illiquidity/Inflexibility: 10-year capital commitment periods followed by planned exit

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Park View OZ – We Are Problem Solvers

We strive to deliver every advantage we can to our investors.

Lowest fees – Do not save on tax and give it back in fees.



Publicly Traded for Investor Flexibility and Ease of Access

Buy and Sell when it makes sense for your unique financial needs.

Simple 1099-DIV tax forms.

No Minimums Investment: Only recent capital gains are eligible.

No Investor accreditation requirements.



Park View OZ (Stock Symbol: PVOZ) Created for Tax Planners

Easy to implement in a financial plan.

Holding period control - tailor the benefit to suit the taxpayer's unique financial needs.

Align the interests of the manager with the investor.

- No carried interest or promote fees.



Example OZ Investment 2209 N. Boulevard, Tampa Heights



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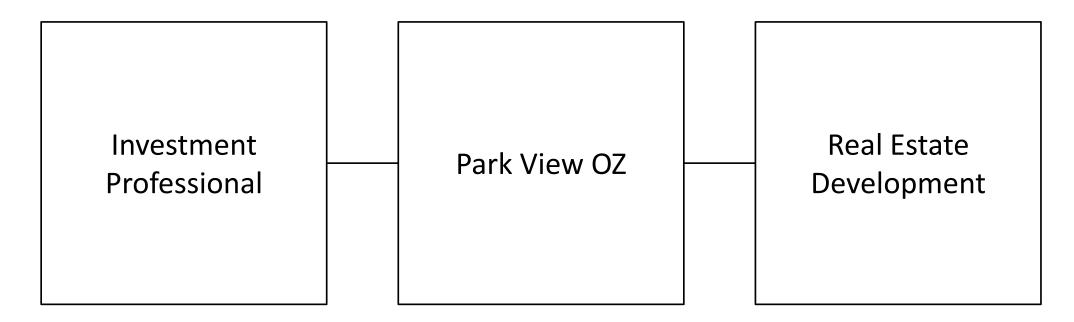
Tampa Heights

Armature Works / Riverwalk





Positioned as a Preferred Partner





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Part 3: Roth-Like Benefits Know Your Spendable Assets in Retirement



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Managing Wealth

Taxable

Tax Deferred

Tax Free

Brokerage Bank

IRAs and 401Ks, 1031s

Roth IRAs and 401Ks Some Insurance QOFs up to 30 years



Tax Free = Better Clarity and Confidence

 The government can unilaterally decide which assets it has a claim on and how the ownership is divided.

• What will tax rates be in 2035 or 2055? Today's rates are historically low, but debt is high.

 Tax-free vehicles can provide greater clarity to estimate spendable savings.

Better Together: Roth IRAs and QOFs

• Roth IRAs are an amazing way to create wealth through tax-free growth, but contributions are currently capped at \$7,000 annually or \$8,000 if you are age 50 or older.

Tax-free compound growth is difficult to achieve.

• QOFs can be a great way to catch up, or accelerate, retirement goals.



How It Works: Eliminate The Capital Gain Income

• The election to step up the asset's cost basis to fair market value is important. It is better than just eliminating capital gains tax.

• It protects against current and future taxes targeting capital gains income. NIIT is an example.

Any tax rate times zero is zero.



Running a QOF for Roth IRA-"like" Benefits

Only the appreciation of the QOF eliminated by the cost basis step up.

Any taxes created by the fund are taxable, nullifying QOF tax elimination benefit completely.

Buy and hold strategy is key. Carried interest (AKA "a Promote") should be avoided. Alignment between the fund manager and investor is critical.



Elimination Benefit – "Snowball"

Tax-free compound growth is a great way to build wealth.

• The key is to let the compounding continue as long as is practical.

 Just like a snowball rolling down hill, the last few revolutions pick up the most snow.



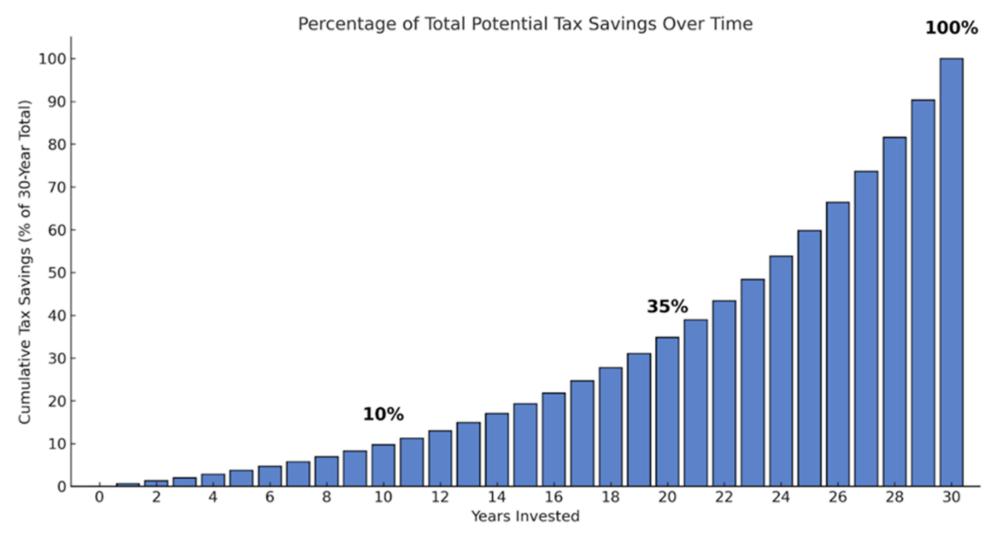


Chart: Percentage of total potential tax savings realized over time with a QOF investment, assuming a 10% growth rate and a 23.8% tax rate (20% capital gains + 3.8% NIIT).

Tax-Free Summary

Max out the Roth IRA contribution.

Consider QOFs for any realized capital gains.

Stay invested in tax free as long as you can.



QOF Tax Optimization Checklist

✓ The investor must be able to control their holding period.

✓ The fund needs to be run with a perpetual life as a goal.

✓ Buy and hold strategy is essential – no carried interest or promote fees.

✓ Low fees.



Part 4 - Deferral Benefit: A Swiss Army Knife for Tax Planning



Deferral Benefit on the Original Gain

- The character of the gain does not change.
 - Short- or long-term, from collectibles etc.

What does change is the realization date.



New Legislation Inadvertently Creates a "Dead Zone" Problem

Many investors will pause OZ investments waiting for the new benefits to become available on January 1, 2027.

Stops the flow of capital into OZ neighborhoods.

This is opposite to the intent of the OZ legislation.



Current OZ Program

OZ 2.0

Timing of eligible investments	QOF investments from capital gains realized on or prior to December 31, 2026.	QOF investments made after January 1, 2027.	
Capital eligible for QOF tax incentives	Capital is eligible up to the amount of capital gains realized within the last 180 days.	Capital is eligible up to the amount of capital gains realized within the last 180 days.	
Deferral benefit on the original capital gain	Until December 31, 2026.	5 years from the date of the QOF investment. Eliminates 10% of the tax liability if the QOF is held for the full 5-year period.	
Capital gain elimination benefit on the QOF investment	Eliminates 100% of capital gains. This benefit expires December 31, 2047.	Eliminates 100% of capital gains. This benefit expires 30 years from the date of purchase.	

Sale and Re-deferral of a QOF

Selling a QOF, during or at the end of the deferral period, triggers the realized of the original capital gain. Only the date of realization has changed.

180 days to re-invest and re-defer the gain by making another QOF investment

Each time you buy a QOF the 5-year deferral, 10-year hold for 100% elimination eligibility, and 30-year end of eligibility clocks reset.

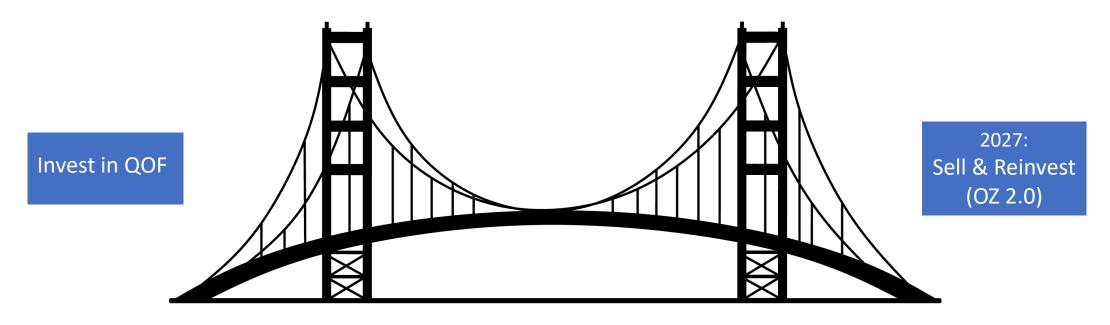
https://www.tafttaxinsights.com/2025/07/did-you-know-that-you-can-defer-gain-on-the-sale-of-your-qualified-opportunity-fund-investment-by-reinvesting-in-another-qof/



Bridge Strategy

Keep current capital gains eligible for enhanced QOF incentives

Bridge strategy: hold through 2026, cross the Eligibility Gap by selling in Jan 2027, and reinvest within 180 days to capture OZ 2.0 benefits.



Eligibility Gap: Now–Dec 2026



Result of Bridge Strategy

Keeps capital flowing to OZ communities.

Investor needs to stay invested longer in these communities to claim the 100% elimination benefit.

Potentially keeps current gains eligible for enhanced OZ 2.0 benefits.



Tax Solutions

Matching Future Losses with Current Gains

Investors may want use a QOF to defer their capital gain realization date. If they then have a loss anytime during the deferral period, they can trigger a matching gain in the same tax year by selling the appropriate amount of QOF stock.

Without this strategy the investor would pay the tax and the have a tax loss carry forward. For example:

- Gain of \$1 million in 2025
- Loss of \$1 million in a later year during the deferral period
- Either pay no tax or pay 20% capital gain + 3.8% NIIT = 23.8% = \$238,000

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Using QOFs to Match Gains and Losses

The order you pay gains and losses matters

PAY AS YOU GO STRATEGY

	Current Year	Future Year	
Gains	\$1,000,000		
Losses		\$1,000,000	
20% Capital Gains 3.8% NIIT	Taxes Owed \$238,000	Tax Loss Carry Forward \$238,000	

QOF DEFERRAL STRATEGY

	Current Year	Future Year	
Gains	\$1,000,000 Deferred with QOF →	\$1,000,000 Now Realized with Sale of the QOF	
Losses		\$1,000,000	
20% Capital Gains 3.8% NIIT		Taxes Owed \$0	

Would you rather have \$238,000 in cash or \$238,000 in a tax loss carry forward?



Tax Solutions

Selling a Business and Retiring

Carol and her husband are selling their business for a 700K capital gain and retiring. Their substantial income has them in the 20% capital gains bracket and subject to the 3.8% NIIT so they face a tax bill of 166K. Assuming their taxable income drops to zero after this year.

How would you help this client reduce the 166K tax bill?



Selling and Retiring

Pain Points of Income + Capital Gain Year

IRMAA - Medicare Surcharge

Senior Bonus Standard Deduction

NIIT - Net Investment Income Tax

Child Tax Credit, Tax on SS, Education Credits

AMT - Alternative Minimum Tax

Capital Gains – Higher Tax Brackets

Roth IRA – Contribution Eligibility

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Capital Gains

Married Filing Jointly – 94K Annually at 0% Tax Rate plus standard deduction of \$31,500

Tax Year 0 700k Cap Gain	Tax Year 1	Tax Year 2	Tax Year 3	Tax Year 4	Tax Year 5
700k Deferred	Sell a Portion of QOF Stock				
with a QOF	QOF Stock	QOF Stock	QOF Stock	QOF Stock	
Deferred	Realize	Realize	Realize	Realize	Realize
700K Capital Gain	125K Capital Gain	125K Capital Gain	125K Capital Gain	125K Capital Gain	125K Capital Gain
Income	Income	Income	Income	Income	Income
Zero Tax Owed	Zero Tax Owed	Zero Tax Owed	Zero Tax Owed	Zero Tax Owed	Zero Tax Owed

How Do They Compare?

Capital Gains from CRE

Requires Reinvest of All Proceeds

Can Defer Tax Indefinitely

Strict Cash Tracing

1031

Any Capital Gain is Eligible

Requires the Reinvestment of Gains

Deferred Capital Gains

Estate Planning

Can Defer Tax for 1 to 5 years

QOF

No Cash Tracing

45 Days to Identify Replacement Property

No Elimination of Tax (ex sec 1014)

No Property Identification Requirement

Capital Gain Elimination at 10 Years

Park View OZ's Goals for This Presentation

Provide you with solutions that will clearly differentiate you from your competitors.

Allow you to present superior tax planning options to current and prospective clients.

Did we achieve the goals?



Key Points

- ▶ QOF incentives are broadly applicable. Almost all investors will have a capital gain over time.
- ▶ QOF incentives can significantly increase after-tax returns.
- ▶ Stock ownership greatly increases access to QOF incentives.
- Control of the QOF holding period is key to maximizing QOF tax incentives.

Next Steps

→ Schedule a call with me or leave me a message in the comments.

→ Our website has a lot of information including articles, blog posts, and our offering document and electronic subscription agreement.

→ Shares can also be purchase through a brokerage account.



Further Reading

"How Collectors of Art Can Benefit from QOFs," *The CPA Journal*, March 2019, by Sid Kess and Michael Kelley.

"Preserving Generational Wealth," *The CPA Journal*, January 2020, by Michael Kelley and Michael Gershon.

"New Qualified Opportunity Funds are Starting to Fulfill Their Promise," *Practical Tax Strategies*, Thomson Reuters, November 2021, by Michael Kelley.

"A Dozen Ways to Enhance Tax-Efficient Financial Plans Qualified Opportunity Funds," *Estate Planning*, Thomson Reuters, May 2025, by Michael Kelley.

These articles and more can be found on our website at https://parkviewozreit.com/articles/



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