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## **CCIM hosts breakfast meeting on 2019 CRE tax updates and impact**

March 15, 2019 - Connecticut

Glastonbury, CT CCIM Connecticut Chapter hosted a breakfast meeting at Glastonbury Hills Country Club. The meeting was a 2019 Commercial Real Estate Tax Update and Local Impact Session. Brian Newman, CPA and Edmund Kindelan, CPA with CohnReznick and were presenters.

This event was attended by professionals, CCIM members and guests in varied businesses related to commercial real estate – there to hear about the current federal and local tax effect on many key areas.

Real estate related updates included: Opportunity Zones, qualified business income pass thru deduction, bonus depreciation, section 163j interest expense limitation, excess business losses, carried interest and like-kind exchange.

According to Newman, “Opportunity Zone (OZ) funds are currently forming for areas in Connecticut with one fund having \$1 billion in assets. OZ funds allow 180 days to reinvest the proceeds from a sale and defer a capital gain (not the sale price) to 2026. In order for the property to be qualified in an OZ, the property needs to be sold to a third party, but the seller may retain up to 20% of the property. You can self-certify that a fund is a qualified opportunity zone fund. The fund has up to 30 months to deploy the cash in the OZ property including the time the property is put into service.”

Regarding qualified business income, Newman said, “You can deduct expenses in a trade or business, not as an investor. NNN leases may not be included if you are not actively involved on a day-to-day basis. Contemporaneous documentation of work performed is required.”

“Bonus depreciation would include qualified leasehold improvements on non-residential commercial property, not 15 year life property,” Newman said.

With more than 30 years of professional experience, Newman is a partner in CohnReznick’s Hartford, office, and practice leader of the firm’s federal tax services nationally. Newman concentrates on the formation, operation, and dissolution of partnerships, C-corporations, S-corporations, and limited liability companies. He also has extensive experience dealing with tax issues for family-owned and Fortune 500 businesses, serving clients across various industries including real estate, manufacturing and distribution, technology, and construction.

Newman is a frequent speaker and author on issues involving federal and state taxation and partnership taxation matters, and was appointed as an adjunct professor for the University of Hartford's master of science in Taxation program.

Kindelan is the office managing partner for CohnReznick's Boston office. He focuses on client service and growth within the Connecticut and Massachusetts offices and works closely with CohnReznick partners to ensure the firm provides the full depth and breadth of CohnReznick resources to clients.

Kindelan is also the practice leader in New England for the commercial real estate industry practice and provides accounting, tax, and advisory services to commercial real estate developers, property managers, private equity funds, and contractors. His clients include companies developing, owning, and managing multifamily, office, hotel, industrial, and student housing properties. He works closely with these clients in providing compliance services as well as guidance in the areas of tax-advantaged real estate transactions, estate planning, due diligence for acquisitions, and other advisory services. He is also proficient at audit and financial reporting issues for real estate.

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