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Office of Associate Chief Counsel (Income Tax and Accounting)  
Attention Erika C. Reigle and Kyle C. Griffin  
Internal Revenue Service (I.R.S.)  
1111 Constitution Avenue, NW  
Washington, DC 20224

CC:PA:LPD:PR  
(REG-115420-18)  
Room 5203  
Internal Revenue Service  
P.O. Box 7604  
Ben Franklin Station,  
Washington DC, 20044

**Re: Comments on Reg-115420-18 Investing in Qualified Opportunity Funds**

Dear Ms. Reigle and Mr. Griffin:

On behalf of N.C. Caller, P.C., we appreciate the opportunity to provide feedback on REG-115420-18: Investing in Qualified Opportunity Funds, as published in the Federal Register on October 29, 2018.

This letter intends to identify issues arising under REG-115420-18, as well as possible solutions that we believe would be helpful in addressing the issue. Generally speaking, we believe that the proposed regulations are both taxpayer and investor friendly. By addressing the comments provided below, we believe that the Department of Treasury and the I.R.S. can bring about certainty regarding the new regulation. It is our hope that the I.R.S. can provide clarification so that the growth and impact of this provision is achieved.

In specific, we'd like to address issues arising from the 180 Day Investment Requirement.

Code Section 1400(Z)-2(a)(1)(A) provides that a taxpayer invest gain into a QOF within 180 days of the sale or exchange that generated such gain (the "180 Day Investment Requirement"). Many taxpayers who recognized gains after the effective date of the Tax Cuts and Jobs Act of 2017 and in the beginning of the calendar year 2018 were effectively unable to comply with the 180 Day Investment Requirement because they did not receive any initial guidance on how to treat their gains and what constituted a Qualified Opportunity Fund until the initial set of proposed regulations was released on October 19, 2018. We recommend the Treasury to provide relief to such taxpayers the option to choose the 180-day period to

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commence upon either (i) the date of the sale or exchange or, (ii) at the taxpayer's election, upon publication of the upcoming set of proposed regulations allowing such relief.

We believe that the later will preserve the spirit of the time frame requirement, while also not disqualifying investors who would like to participate in this opportunity. Accordingly, the IRS should provide relief for transactions that occurred prior to the publication of the proposed regulations on October 29, 2018. We believe the IRS should publish a public notice, informing the parties of opportunities arising under 1400(Z)-2(a)(1)(A). This would ensure that all parties have a meaningful chance to participate in this opportunity.

As provided in §1400Z-2(e)(4)(B), the Secretary has the authority to prescribe rules as may be necessary or appropriate to carry out the purposes of the Statute, we believe that the Secretary has the authority to implement the recommendations mentioned above.

Sincerely,

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