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Proposed regulations: Qualified opportunity fund (QOF) reporting and certification procedures

The U.S. Treasury Department and IRS today released proposed regulations (REG-116506-25) that would implement new information reporting requirements for qualified opportunity funds (QOFs) and qualified opportunity zone businesses (QOZBs). The regulations would also clarify QOF self-certification requirements and establish procedures for revoking inadvertent certifications and voluntarily decertifying as a QOF.

Under the proposed regulations, QOFs would be required to file annual information returns with the IRS and furnish statements to investors that dispose of QOF interests. Annual reporting would include information regarding the QOF, certain QOZBs in which the QOF invests, and investor disposition events. QOZBs would be required to provide information to QOFs to support those reporting obligations. The proposed regulations would also clarify the application of penalties for failing to file required returns or furnish required statements.

The proposed regulations would also expand Form 8996 reporting requirements and establish procedures governing QOF decertification. Among other things, the rules would provide procedures for voluntary decertification, including investor notification requirements, and a limited process for revoking inadvertent QOF certifications when no qualifying investments were made.

The proposed regulations generally would apply to tax years ending on or after the date final regulations are published in the Federal Register.

Comments are due 45 days after publication in the Federal Register, and a public hearing is scheduled for November 5, 2026.

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