

# STATE OF NEW YORK

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5739

2017-2018 Regular Sessions

## IN SENATE

April 27, 2017

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Introduced by Sen. YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to extending the tax rate reduction under the New York state real estate transfer tax and the New York city real property transfer tax for conveyances of real property to existing real estate investment funds

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The opening paragraph of subparagraph (B) of paragraph 2 of  
2 subdivision (b) of section 1402 of the tax law, as amended by chapter  
3 500 of the laws of 2014, is amended to read as follows:

4 For purposes of this subdivision, the phrase "real estate investment  
5 trust transfer" shall mean any conveyance of real property or an inter-  
6 est therein to a REIT, or to a partnership or corporation in which a  
7 REIT owns a controlling interest immediately following the conveyance,  
8 which conveyance (I) occurs in connection with the initial formation of  
9 the REIT, provided that the conditions set forth in clauses (i) and (ii)  
10 of this subparagraph are satisfied, or (II) in the case of any real  
11 estate investment trust transfer occurring on or after July thirteenth,  
12 nineteen hundred ninety-six and before September first, two thousand  
13 [~~seventeen~~ *twenty*], is described in the last sentence of this subpara-  
14 graph.

15 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section  
16 1201 of the tax law, as amended by chapter 500 of the laws of 2014, is  
17 amended to read as follows:

18 (2) any issuance or transfer of an interest in a REIT, or in a part-  
19 nership or corporation in which a REIT owns a controlling interest imme-  
20 diately following the issuance or transfer, in connection with a trans-  
21 action described in subparagraph one of this paragraph. Notwithstanding

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 the foregoing, a transaction described in the preceding sentence shall  
2 not constitute a real estate investment trust transfer unless (A) it  
3 occurs in connection with the initial formation of the REIT and the  
4 conditions described in subparagraphs three and four of this paragraph  
5 are satisfied, or (B) in the case of any real estate investment trust  
6 transfer occurring on or after July thirteenth, nineteen hundred nine-  
7 ty-six and before September first, two thousand [~~seventeen~~] twenty, the  
8 transaction is described in subparagraph five of this paragraph in which  
9 case the provisions of such subparagraph shall apply.

10 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section  
11 11-2102 of the administrative code of the city of New York, as amended  
12 by chapter 500 of the laws of 2014, is amended to read as follows:

13 (B) any issuance or transfer of an interest in a REIT, or in a part-  
14 nership or corporation in which a REIT owns a controlling interest imme-  
15 diately following the issuance or transfer in connection with a trans-  
16 action described in subparagraph (A) of this paragraph. Notwithstanding  
17 the foregoing, a transaction described in the preceding sentence shall  
18 not constitute a real estate investment trust transfer unless (i) it  
19 occurs in connection with the initial formation of the REIT and the  
20 conditions described in subparagraphs (C) and (D) of this paragraph are  
21 satisfied, or (ii) in the case of any real estate investment trust  
22 transfer occurring on or after July thirteenth, nineteen hundred nine-  
23 ty-six and before September first, two thousand [~~seventeen~~] twenty, the  
24 transaction is described in subparagraph (E) of this paragraph in which  
25 case the provision of such subparagraph shall apply.

26 § 4. This act shall take effect immediately.