STATE OF NEW YORK

6800

2021-2022 Regular Sessions

IN SENATE

May 17, 2021

Introduced by Sen. GIANARIS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to treatment of gains from qualified opportunity zones in calculating taxable income

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

Section 1. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 28 to read as follows:

(28) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 2. Subdivision 9 of section 208 of the tax law is amended by adding a new paragraph (u) to read as follows:

(u) For tax years beginning on or after January first, two thousand twenty-one, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 3. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 4. Section 612 of the tax law is amended by adding a new subsection (y) to read as follows:

(y) Qualified opportunity zones. For tax years beginning on or after January first, two thousand twenty-one, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2

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

LBD11490-02-1

of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 5. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding a new subparagraph (AA) to read as follows:

(AA) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 6. Section 1503 of the tax law is amended by adding a new subdivision (d) to read as follows:

(d) For tax years beginning on or after January first, two thousand twenty-one, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 7. Paragraph (a) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding a new subparagraph 16 to read as follows:

(16) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 8. Section 11-602 of the administrative code of the city of New York is amended by adding a new subdivision 11 to read as follows:

11. For tax years beginning on or after January first, two thousand twenty-one, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 9. Paragraph (a) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding a new subparagraph 17 to read as follows:

(17) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 10. Subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding a new paragraph (u) to read as follows:

(u) For tax years beginning on or after January first, two thousand twenty-one, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 11. Subdivision (b) of section 11-1712 of the administrative code of the city of New York is amended by adding a new paragraph 40 to read as follows:

(40) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 12. Section 11-1712 of the administrative code of the city of New York is amended by adding a new subdivision (w) to read as follows:

(w) For tax years beginning on or after January first, two thousand twenty-one, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph

(1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 13. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2021.