STATE OF NEW YORK

10318

IN ASSEMBLY

February 20, 2026

Introduced by M. of A. LASHER -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to modifications increasing federal adjusted gross 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) For taxable years beginning on or after January first, two thousand twenty-five, the amount of any gain excluded pursuant to section 1202 of the Internal Revenue Code, with respect to such exclusion the amount of the deduction allowable under section 1202 of the Internal Revenue Code.

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

(44) For taxable years beginning on or after January first, two thousand twenty-five, the amount of any gain excluded pursuant to section 1202 of the Internal Revenue Code, with respect to such exclusion the amount of the deduction allowable under section 1202 of the Internal Revenue Code.

§ 3. 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) For taxable years beginning on or after January first, two thousand twenty-five, the amount of any gain excluded pursuant to section 1202 of the Internal Revenue Code, with respect to such exclusion the amount of the deduction allowable under section 1202 of the Internal Revenue Code.

§ 4. This act shall take effect immediately, and shall apply to taxable years beginning on or after January 1, 2025.

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

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