

STATE OF NEW YORK

10585

IN SENATE

May 27, 2026

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, in relation to assessing a separate tax on distributions from designated federal settlement funds

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

1 Section 1. The tax law is amended by adding a new section 603-a to
2 read as follows:

3 § 603-a. Separate tax on distributions from designated federal settle-
4 ment funds. (a) In lieu of any other tax imposed by section six hundred
5 one of this part, there is hereby imposed for each taxable year a sepa-
6 rate tax on distributions from a designated fund received by any resi-
7 dent individual, estate or trust during such taxable year. Such tax
8 shall be equal to one hundred percent of the gross amount of such
9 distributions and shall not be reduced pursuant to any deduction,
10 exemption, or credit otherwise authorized pursuant to law.

11 (b) For purposes of this section:

12 (i) "Designated fund" means the federal anti-weaponization fund estab-
13 lished pursuant to the settlement agreement in Trump v. Internal Revenue
14 Service, No. 1:26-cv-20609 (S.D. Fla.).

15 (ii) "Distribution" means any payment, distribution, or monetary
16 transfer received, either directly or indirectly, by a resident individ-
17 ual, estate or trust.

18 § 2. This act shall take effect immediately.

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

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