

STATE OF NEW YORK

3340

2025-2026 Regular Sessions

IN SENATE

January 27, 2025

Introduced by Sens. GIANARIS, HOYLMAN-SIGAL, KRUEGER, SALAZAR -- 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:

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

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

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

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

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

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

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

21 (y) Qualified opportunity zones. For tax years beginning on or after
22 January first, two thousand twenty-six, upon the sale or exchange of
23 property with respect to which the taxpayer has made the election under

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

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

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

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

10 § 6. Section 1503 of the tax law is amended by adding a new subdivi-
11 sion (d) to read as follows:

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

18 § 7. Paragraph (b) of subdivision 8 of section 11-602 of the adminis-
19 trative code of the city of New York is amended by adding a new subpara-
20 graph 23 to read as follows:

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

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

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

32 § 9. Paragraph (b) of subdivision 8 of section 11-652 of the adminis-
33 trative code of the city of New York is amended by adding a new subpara-
34 graph 24 to read as follows:

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

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

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

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

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

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

55 (w) For tax years beginning on or after January first, two thousand
56 twenty-six, upon the sale or exchange of property with respect to which

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

5 § 13. This act shall take effect immediately and shall apply to taxa-
6 ble years beginning on or after January 1, 2026.