

# STATE OF NEW YORK

4766

2025-2026 Regular Sessions

## IN SENATE

February 12, 2025

Introduced by Sen. BAILEY -- 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 creating a tax deduction for certain capital gains

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

1 Section 1. Subsection (c) of section 612 of the tax law is amended by  
2 adding a new paragraph 48 to read as follows:

3 (48) One hundred percent of the capital gains from the sale of stock  
4 or member interest from a New York corporation or limited liability  
5 company to an employee-owned enterprise, as defined in subdivision five  
6 of section eighteen hundred thirty-six-b of the public authorities law.  
7 In order to qualify for such modification as described in this para-  
8 graph, such employee-owned enterprise must have its commercial domicile  
9 in New York. If the employee-owned enterprise is an "employee stock  
10 ownership plan," it must comply with federal requirements as such plan  
11 is defined in 26 U.S.C. § 4975(e)(7).

12 § 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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