STATE OF NEW YORK

3064

2025-2026 Regular Sessions

IN ASSEMBLY

January 23, 2025

Introduced by M. of A. KELLES, GLICK, SIMON, EPSTEIN, REYES, SEAWRIGHT, ROSENTHAL, R. CARROLL -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to imposing a specific tax on all corporate stock buybacks of issued shares

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

Section 1. Subdivisions 1 and 2 of section 270 of the tax law, subdivision 1 as amended by chapter 996 of the laws of 1963 and subdivision 2 as amended by chapter 827 of the laws of 1968, are amended and a new subdivision 2-a is added to read as follows:

1. There is hereby imposed and shall immediately accrue and be collected a tax, as herein provided, on all sales, or agreements to sell, or memoranda of sales and all deliveries or transfers of shares or certificates of stock, or certificates of rights to stock, or certificates of interest in property or accumulations, or certificates of deposit representing certificates taxable under this article, in any domestic or foreign association, company or corporation, or certificates of interest in business conducted by a trustee or trustees, made after the first day of June, nineteen hundred five, whether made upon or shown by the books of the association, company, corporation, or trustee, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of sale or transfer, whether intermediate or final, and whether investing the holder with the beneficial interest in or legal title to said stock, or other certificates taxable hereunder, or merely with the possession or use thereof for any purpose, or to secure the future payment of money, or the future transfer of any such stock, or certificates. The purchase, redemption or other reacquisition of its own shares by a corporation is subject to tax under this article [~~unless~~] **regardless of whether** such shares are cancelled on reacquisition pursuant to the provisions of section five hundred fifteen

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

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of the business corporation law, or [~~unless~~] whether within one year of the date of such purchase, redemption or other reacquisition, such shares are cancelled by an appropriate amendment to the corporation's certificate of incorporation or by action of the board of directors of such corporation.

2. Except as otherwise provided by [~~section two hundred seventy-a of this chapter~~] subdivision two-a of this section, the tax imposed by this section shall be two and one-half cents for each share, except in cases where the shares or certificates are sold, in which cases the tax shall be at the rate of one and one-quarter cents for each share where the selling price is less than five dollars per share; two and one-half cents for each share where the selling price is five dollars or more per share and less than ten dollars per share; three and three-quarters cents for each share where the selling price is ten dollars or more per share and less than twenty dollars per share and five cents for each share where the selling price is twenty dollars or more per share.

2-a. Notwithstanding the provisions of subdivision two of this section, the tax imposed by this section for the purchase, redemption or other reacquisition of its own shares by a corporation shall be one-half of one percent of the value paid by such corporation for such shares.

§ 2. This act shall take effect immediately.