STATE OF NEW YORK

8398

2025-2026 Regular Sessions

IN ASSEMBLY

May 13, 2025

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

AN ACT to amend the tax law, in relation to requiring certain joint tax returns pertaining to residential real estate cash purchases by limited liability companies to disclose the source of funds used for the purchase

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

Section 1. Paragraph 3 of subdivision (a) of section 1409 of the tax law, as amended by section 3 of part O of chapter 59 of the laws of 2021, is amended to read as follows:

(3) **In addition to the requirements in paragraph two of this subdivision, when the grantor or grantee of a deed for a building used as residential real property containing up to four family dwelling units, including condominiums and cooperatives, is a limited liability company and the purchase is not secured by a mortgage, the joint return shall not be accepted for filing unless it is accompanied by a document which identifies the source or sources of funds used for the purchase, including the type of funding used, the bank account information of any funds used in the purchase and the amount used by each source of funds. If any source of funds for such purchase originated from a foreign national as defined in section 30121 of title 52 of the United States code, the document shall identify such foreign national including their name and address and any corporate entity owned by such foreign national.**

(4) The return shall be filed with the recording officer before the instrument effecting the conveyance may be recorded. However, if the tax is paid to the commissioner pursuant to section fourteen hundred ten of this article, the return shall be filed with such commissioner at the time the tax is paid. In that instance, a receipt evidencing the filing of the return and the payment of tax shall be filed with the recording officer before the instrument effecting the conveyance may be recorded.

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

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The recording officer shall handle such receipt in the same manner as a return filed with the recording officer.

§ 2. This act shall take effect immediately and shall apply to returns filed on and after January 1, 2026.