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Alert

No More Deferral of New York State Capital Gains for Qualified Opportunity Zone Funds

Syracuse ♦ Ithaca ♦ New York City

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Under the recently enacted New York State 2021-2022 Budget Bill, A.3009-C/S.2509-C, New York has "decoupled" from the Federal Qualified Opportunity Zone program. This means that any capital gain in 2021 and later may no longer be deferred from New York State tax. The capital gain may still be invested in a Qualified Opportunity Zone Fund and deferred for Federal tax purposes (so long as all of the requirements and deadlines of the Qualified Opportunity Zone program are met), but the tax on the capital gain will have to be paid for New York State tax purposes in the year received. Eventually, when the gain that was deferred for federal income tax purposes is recognized in 2026 under the requirements of the program or earlier, the gain will be excluded from New York State taxation as it will have already been taxed.

Please contact me or any member of our Opportunity Zone Team to discuss the program and compliance requirements.



For more information or to discuss how changes to tax laws and regulations will impact you or your business, please call or email:

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