



NEW YORK STATE SENATOR

Michael Gianaris

## Senator Gianaris Introduces Legislation Delinking State Tax Breaks from Federal Opportunity Zones

MICHAEL GIANARIS February 6, 2019

| ISSUE: **OPPORTUNITY ZONES, AMAZON, STOP AMAZON: #NOHQ2 IN LIC, FEDERAL TAXES, CAPITAL GAINS TAXES**



NEW YORK, N.Y. – Senate Deputy Leader Michael Gianaris announced he will introduce legislation to eliminate tax breaks for capital gains when investing in federal Qualified Opportunity Zones (QOZ).

“The Opportunity Zone program was intended to help economically distressed areas but is being abused to grant tax breaks to already overdeveloped neighborhoods,” said **Senate**

**Deputy Leader Michael Gianaris.** “The state should not be made to suffer due to the misuse of this program.”

The federal tax overhaul passed in 2017 included a provision aimed at incentivizing investment in economically distressed areas. In 2018, the state was supposed designate census tracts that qualified as “Opportunity Zones” but also included other areas already suffering from overdevelopment and gentrification. Among these areas are wealthy parts of Long Island City and Astoria, among the fastest growing neighborhoods in the United States.

Investors who create opportunity funds to invest in these census tracts are able to defer large capital gains on their federal taxes. Much of New York’s tax code is linked to the federal tax code and Senator Gianaris’ legislation would prevent a massive and unjust giveaway of state resources to the wealthy.