



Tax Planning: New Exclusions Under New Jersey Gross Income Tax Act and Changes to QSBS Exclusion Under OBBBA

Articles

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Recent federal and state tax law changes have significantly expanded planning opportunities involving Qualified Small Business Stock (QSBS). In this article for the *Philadelphia Business Journal*, attorneys [Bonnie Diaz](#), [Justin Csik](#), and [Marty Babitz](#) analyze New Jersey's newly enacted conformity with the federal QSBS exclusion under Internal Revenue Code §1202, as well as key changes introduced under the One Big Beautiful Bill Act (OBBBA).

The article outlines several important developments, including graduated exclusion percentages tied to shorter holding periods, increased exclusion caps, and expanded eligibility thresholds for companies issuing QSBS. The authors also review the continuing qualification requirements for QSBS treatment and discuss how these changes may affect founders, investors, business owners, and families engaged in long-term tax and estate planning.

With New Jersey now permitting qualifying taxpayers to exclude QSBS gains from New Jersey Gross Income Tax for certain transactions beginning in 2026, the combined federal and state tax benefits may create substantial opportunities for strategic planning around liquidity events, gifting strategies, and wealth transfer objectives.

Click [here](#) to read the complete article.

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