

810-3-8-.19 Sales of Stock to Employee Stock Ownership Plans or Certain Cooperatives.

(1) The amount of gain recognized by a taxpayer who has made a valid election under 26 U.S.C. § 1042, relating to sales of stock to employee stock ownership plans or certain cooperatives, shall be determined in accordance with 26 U.S.C. § 1042.

(2) If a taxpayer disposes of qualified replacement property, as defined by 26 U.S.C. § 1042, and recognizes gain under 26 U.S.C. § 1042(e), then the gain shall be recognized to the same extent and at the same time as under 26 U.S.C. § 1042(e).

(3) For interpretation of federal statutes adopted by the Alabama Legislature see Rule 810-3-1.1-.01, Operating Rules.

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