

Quick Guide to Qualified Small Business Stock

Article By:

Noam Lipshitz

Eran Levy

Section 1202 of the Internal Revenue Code allows non-corporate taxpayers to exclude from gross income all or a portion of gain realized from the sale or exchange of “qualified small business stock” (QSBS) held for more than five years. For QSBS acquired after Sept. 27, 2010, 100% of the taxpayer’s gain may be excluded, subject to a cap, which is the greater of (i) \$10 million reduced by the aggregate amount of gain previously excluded under Section 1202 by the taxpayer with respect to the same qualified small business or (ii) 10 times the taxpayer’s adjusted basis in the stock sold during the taxable year.

There are several requirements for stock to qualify as QSBS that may pose challenges for taxpayers planning to qualify for the potential tax benefit. GT’s Quick Guide to Qualified Small Business Stock summarizes the key requirements for stock to qualify as QSBS.

[Click here to view the Quick Guide.](#)

©2025 Greenberg Traurig, LLP. All rights reserved.

National Law Review, Volume XIV, Number 313

Source URL: <https://natlawreview.com/article/quick-guide-qualified-small-business-stock>