

HR 1896

Subchapter S Modernization Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Apr 30, 2003

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Apr 30, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/house-bill/1896>

Sponsor

Name: Rep. Shaw, E. Clay, Jr. [R-FL-22]

Party: Republican • State: FL • Chamber: House

Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Jones, Stephanie Tubbs [D-OH-11]	D · OH		Apr 30, 2003
Rep. Matsui, Robert T. [D-CA-5]	D · CA		Apr 30, 2003
Rep. McClinnis, Scott [R-CO-3]	R · CO		Apr 30, 2003
Rep. Pomeroy, Earl [D-ND-At Large]	D · ND		May 15, 2003
Rep. Miller, Jeff [R-FL-1]	R · FL		Jul 15, 2003
Rep. Istook, Ernest J., Jr. [R-OK-5]	R · OK		Sep 29, 2003
Rep. Peterson, Collin C. [D-MN-7]	D · MN		Oct 2, 2003

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Apr 30, 2003

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Subchapter S Modernization Act of 2003 - Amends the Internal Revenue Code to revise provisions concerning S corporations to, among other things: (1) allow certain members of a family to be treated as one shareholder of an S corporation; (2) prohibit treating qualified preferred stock as a second class of stock and treating a person as a shareholder by reason of holding such stock; (3) permit financial institutions to hold convertible (safe harbor) debt; (4) repeal the characterization of excessive passive investment income as a termination event; (5) permit certain losses on liquidation not exceeding ordinary income basis to be treated as ordinary losses; (6) permit the deductibility of interest expense incurred by an electing small business trust to acquire S corporation stock; (7) provide that shareholder basis is not increased by income derived from cancellation of S corporation's debt; (8) provide for the exclusion of investment securities income from the passive income test for bank S corporations; (9) provide relief from inadvertently invalid qualified subchapter S subsidiary elections and terminations on the same basis as is provided to invalid or terminated S corporation elections; and (10) provide for the elimination of all earnings and profits attributable to pre-1983 years.

Actions Timeline

- **Apr 30, 2003:** Introduced in House
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