

S 1319

Employee Stock Ownership Plan Promotion and Improvement Act of 2005

**Congress:** 109 (2005–2007, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Jun 28, 2005

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Jun 28, 2005)

**Official Text:** <https://www.congress.gov/bill/109th-congress/senate-bill/1319>

Sponsor

**Name:** Sen. Lincoln, Blanche L. [D-AR]

**Party:** Democratic • **State:** AR • **Chamber:** Senate

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Landrieu, Mary L. [D-LA]	D · LA		Jul 29, 2005
Sen. Allen, George [R-VA]	R · VA		Sep 26, 2005
Sen. Crapo, Mike [R-ID]	R · ID		May 19, 2006
Sen. Leahy, Patrick J. [D-VT]	D · VT		Jun 13, 2006

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jun 28, 2005

Subjects & Policy Tags

**Policy Area:**

Taxation

Related Bills

Bill	Relationship	Last Action
109 HR 3111	Identical bill	<b>Jul 1, 2005:</b> Referred to the Subcommittee on Trade.

Employee Stock Ownership Plan Promotion and Improvement Act of 2005 - Amends the Internal Revenue Code to: (1) exempt certain distributions, including dividends, by S corporations to an employee stock ownership plan (ESOP) from the penalty tax for premature employee benefit plan withdrawals; (2) exempt deductions for ESOP dividends from corporate alternative minimum tax adjustments based on adjusted earnings and profits; (3) allow deferral of the recognition of gain for certain sales to ESOPs sponsored by any domestic corporation, including S corporations; (4) allow reinvestment of ESOP stock proceeds eligible for nonrecognition of gain in certain mutual funds; (5) modify certain ESOP stock ownership rules; (6) allow early distributions from an ESOP for higher education expenses and first-time homebuyer purchases without penalty; and (7) allow a *de minimis* exception from pension plan diversification requirements for ESOP accounts with balances of \$2,500 or less.

### **Actions Timeline**

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- **Jun 28, 2005:** Introduced in Senate
- **Jun 28, 2005:** Read twice and referred to the Committee on Finance.