

S 3838

S Corporation Reform Act of 2006

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Aug 3, 2006

Current Status: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S8852-8855)

Latest Action: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S8852-8855)
(Aug 3, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/senate-bill/3838>

Sponsor

Name: Sen. Hatch, Orrin G. [R-UT]

Party: Republican • State: UT • Chamber: Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Lincoln, Blanche L. [D-AR]	D · AR		Aug 3, 2006

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Aug 4, 2006

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
109 HR 4421	Related bill	Nov 18, 2005: Referred to the House Committee on Ways and Means.

S Corporation Reform Act of 2006 - Amends Internal Revenue Code provisions relating to S corporations to: (1) allow nonresident aliens and individual retirement accounts to be S corporation shareholders; (2) revise S corporation eligibility rules to permit the issuance of preferred stock, remove certain restrictions on the issuance of convertible debt and S corporation passive investment income, and allow for adjustments to the stock basis resulting from S corporation charitable contributions; (3) revise tax treatment of certain S corporation stock losses and allow a tax deduction for loan interest incurred by an electing small business trust (ESBT) to acquire S corporation stock; (4) permit certain banks to qualify for an S corporation election; (5) set forth a rule for the tax treatment of the sale of an interest in a qualified S corporation subsidiary; (6) repeal the LIFO recapture tax with respect to S corporations; (7) extend the post-termination transition period for S corporations; (8) reduce tax rates on S corporation excess passive income; and (9) increase the cap on small issue bonds applicable to certain S corporation banks.

Actions Timeline

- **Aug 3, 2006:** Introduced in Senate
- **Aug 3, 2006:** Sponsor introductory remarks on measure. (CR S8851-8852)
- **Aug 3, 2006:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S8852-8855)