

HR 4840

S Corporation Modernization Act of 2007

Congress: 110 (2007–2009, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Dec 19, 2007

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

Latest Action: Referred to the House Committee on Ways and Means. (Dec 19, 2007)

Official Text: <https://www.congress.gov/bill/110th-congress/house-bill/4840>

Sponsor

Name: Rep. Kind, Ron [D-WI-3]

Party: Democratic • State: WI • Chamber: House

Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Rep. English, Phil [R-PA-3]	R · PA		Dec 19, 2007
Rep. Johnson, Sam [R-TX-3]	R · TX		Dec 19, 2007
Rep. Jones, Stephanie Tubbs [D-OH-11]	D · OH		Dec 19, 2007
Rep. Kagen, Steve [D-WI-8]	D · WI		Dec 19, 2007
Rep. Ramstad, Jim [R-MN-3]	R · MN		Dec 19, 2007
Rep. Schwartz, Allyson Y. [D-PA-13]	D · PA		Dec 19, 2007
Rep. Kline, John [R-MN-2]	R · MN		Jun 24, 2008

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Dec 19, 2007

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
110 S 3063	Related bill	May 22, 2008: Read twice and referred to the Committee on Finance.
110 S 349	Related bill	Jan 22, 2007: Placed on Senate Legislative Calendar under General Orders. Calendar No. 10.

S Corporation Modernization Act of 2007 - Amends the Internal Revenue Code to revise the tax treatment of S corporations, including by: (1) reducing from 10 to 7 years the period during which S corporation built-in gains are subject to tax; (2) allowing nonresident aliens to qualify as beneficiaries of an electing small business trust (ESBT); (3) repealing mandatory termination of S corporation elections for excessive passive investment income; (4) allowing S corporations to increase passive investment income from 25 to 60% without incurring additional tax; (5) allowing individual retirement accounts to be S corporation shareholders; and (6) allowing ESBTs to claim expanded charitable tax deductions.

Directs the Comptroller General to study and report to Congress on entity neutrality under the Internal Revenue Code with respect to S corporations, limited liability companies, and other pass-through entities.

### **Actions Timeline**

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- **Dec 19, 2007:** Introduced in House
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