

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

- **Dec 19, 2007:** Introduced in House
- **Dec 19, 2007:** Referred to the House Committee on Ways and Means.