

S 996

S Corporation Modernization Act of 2009

Congress: 111 (2009–2011, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: May 7, 2009

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

Latest Action: Read twice and referred to the Committee on Finance. (May 7, 2009)

Official Text: <https://www.congress.gov/bill/111th-congress/senate-bill/996>

Sponsor

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

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

Cosponsors (1 total)

| Cosponsor | Party / State | Role | Date Joined |
|-----------------------------|---------------|------|-------------|
| Sen. Hatch, Orrin G. [R-UT] | R · UT | | May 7, 2009 |

Committee Activity

| Committee | Chamber | Activity | Date |
|-------------------|---------|-------------|-------------|
| Finance Committee | Senate | Referred To | May 7, 2009 |

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

| Bill | Relationship | Last Action |
|-------------|----------------|---|
| 111 HR 2910 | Identical bill | Jun 17, 2009: Referred to the House Committee on Ways and Means. |

Summary (as of May 7, 2009)

S Corporation Modernization Act of 2009 - Amends the Internal Revenue Code to revise the tax treatment of S corporations by: (1) permanently reducing from 10 to 7 years the period during which S corporation built-in gains are subject to tax; (2) repealing mandatory termination of S corporation elections for excessive passive investment income; (3) allowing S corporations to increase passive investment income from 25 to 60% without incurring additional tax; (4) allowing nonresident aliens to be potential current beneficiaries of an electing small business trust (ESBT); (5) allowing individual retirement accounts (IRAs) to be S corporation shareholders; (6) allowing ESBTs to claim expanded charitable tax deductions; and (7) making permanent the rule requiring a basis adjustment to stock of an S corporation making charitable contributions of property.

Actions Timeline

- **May 7, 2009:** Introduced in Senate
- **May 7, 2009:** Sponsor introductory remarks on measure. (CR S5283-5284)
- **May 7, 2009:** Read twice and referred to the Committee on Finance.