

S 3152

Empowering Employees through Stock Ownership Act

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Jul 11, 2016

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

Latest Action: Read twice and referred to the Committee on Finance. (Jul 11, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/3152>

Sponsor

Name: Sen. Warner, Mark R. [D-VA]

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

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Heller, Dean [R-NV]	R · NV		Jul 11, 2016

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jul 11, 2016

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
114 S 3471	Related bill	Nov 16, 2016: Placed on Senate Legislative Calendar under General Orders. Calendar No. 670.
114 HR 5719	Identical bill	Sep 26, 2016: Received in the Senate.

Empowering Employees through Stock Ownership Act

This bill amends the Internal Revenue Code to allow an employee to elect to defer, for income tax purposes, income attributable to certain stock transferred to the employee by an employer.

The employee may defer the inclusion of income from the stock until the year that includes the earliest of the dates on which:

- the stock is sold, exchanged, or otherwise transferred;
- the employee becomes an excluded employee;
- stock of the corporation becomes readily tradable on an established securities market;
- seven years has passed after the rights of the employee in the stock are transferrable or are not subject to a substantial risk of forfeiture, whichever occurs earlier; or
- the employee elects to include the amount in income.

The stock must meet specified requirements and be transferred to the employee from an eligible corporation in connection with the performance of services as an employee.

A corporation is eligible if: (1) no stock of the corporation is readily tradable on an established securities market during the year or any preceding year, and (2) it has a written plan under which at least 80% of all employees have the same rights and privileges to receive stock for the year.

Employees are excluded if they are or have been: (1) a 1% owner, the chief executive officer, or the chief financial officer of the corporation; (2) a family member of the specified individuals; (3) or one of the four highest compensated officers of the corporation.

The corporation transferring stock must notify employees regarding the option of deferring income and meet specified withholding and reporting requirements.

Actions Timeline

- **Jul 11, 2016:** Introduced in Senate
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