

S 3181

S Corporation Modernization Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Jul 13, 2016

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

Latest Action: Read twice and referred to the Committee on Finance. (Jul 13, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/3181>

Sponsor

Name: Sen. Thune, John [R-SD]

Party: Republican • **State:** SD • **Chamber:** Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Cardin, Benjamin L. [D-MD]	D · MD		Jul 13, 2016
Sen. Roberts, Pat [R-KS]	R · KS		Jul 13, 2016

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jul 13, 2016

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
114 HR 5754	Identical bill	Jul 13, 2016: Referred to the House Committee on Ways and Means.

S Corporation Modernization Act of 2016

This bill amends the Internal Revenue Code, with respect to the tax treatment of S corporations, to:

- allow a nonresident alien to be a qualifying beneficiary of an electing small business trust (ESBT), which is a type of trust that is permitted to hold shares in an S corporation;
- allow S corporations to increase passive investment income from 25% to 60% without incurring additional taxes;
- eliminate a provision terminating the S corporation status of corporations with excessive passive income for three consecutive years;
- allow any S corporation bank to have individual retirement account shareholders;
- allow ESBTs to claim expanded tax deductions for charitable contributions; and
- allow an adjustment to the basis of an S corporation's assets upon the death of a shareholder, in the form of a 15-year amortization deduction.

Actions Timeline

- **Jul 13, 2016:** Introduced in Senate
- **Jul 13, 2016:** Read twice and referred to the Committee on Finance.