

HR 5754

S Corporation Modernization Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Jul 13, 2016

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

Latest Action: Referred to the House Committee on Ways and Means. (Jul 13, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/5754>

Sponsor

Name: Rep. Reichert, David G. [R-WA-8]

Party: Republican • **State:** WA • **Chamber:** House

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Kind, Ron [D-WI-3]	D · WI		Jul 13, 2016
Rep. Paulsen, Erik [R-MN-3]	R · MN		Sep 13, 2016
Rep. Renacci, James B. [R-OH-16]	R · OH		Sep 13, 2016

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Jul 13, 2016

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
114 S 3181	Identical bill	Jul 13, 2016: Read twice and referred to the Committee on Finance.

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 House
- **Jul 13, 2016:** Referred to the House Committee on Ways and Means.

LegiList

CONGRESS, MADE CLEAR.

Search Every Federal Bill, Law, and Vote

LegiList is the fastest way to research Congress. Track any bill from introduction to enactment, see how every legislator voted, follow committee activity, and read the full text of every bill — all in one place, always up to date.

legilist.com

Free Course: Learn How Congress Actually Works

LegiList Learn is a free, self-paced course that walks through the entire legislative process — from drafting a bill to a presidential signature. Seven modules, plain language, no politics. Earn a certificate when you finish.

legilist.com/learn

Developer API: Build Apps on Legislative Data

The LegiList API gives developers direct access to bills, votes, legislators, committees, and more. Start free with 1,000 requests per day — no credit card required. Upgrade to Pro when you need to scale.

legilist.com/api

Public data belongs to the public. — legilist.com