

HR 1696

S Corporation Modernization Act of 2017

Congress: 115 (2017–2019, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Mar 23, 2017

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

Latest Action: Referred to the House Committee on Ways and Means. (Mar 23, 2017)

Official Text: <https://www.congress.gov/bill/115th-congress/house-bill/1696>

Sponsor

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

Party: Republican • State: WA • Chamber: House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Kind, Ron [D-WI-3]	D · WI		Mar 23, 2017

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 23, 2017

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
115 S 711	Identical bill	Mar 23, 2017: Read twice and referred to the Committee on Finance.

## **S Corporation Modernization Act of 2017**

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;
- 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; and
- extend the time period for making S corporation elections.

## **Actions Timeline**

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- **Mar 23, 2017:** Introduced in House
- **Mar 23, 2017:** Referred to the House Committee on Ways and Means.