

S 711

S Corporation Modernization Act of 2017

Congress: 115 (2017–2019, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Mar 23, 2017

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

Latest Action: Read twice and referred to the Committee on Finance. (Mar 23, 2017)

Official Text: <https://www.congress.gov/bill/115th-congress/senate-bill/711>

Sponsor

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

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

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Cardin, Benjamin L. [D-MD]	D · MD		Mar 23, 2017
Sen. Roberts, Pat [R-KS]	R · KS		Mar 23, 2017
Sen. Baldwin, Tammy [D-WI]	D · WI		Jul 26, 2017
Sen. Stabenow, Debbie [D-MI]	D · MI		Jul 27, 2017

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Mar 23, 2017

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
115 HR 1696	Identical bill	Mar 23, 2017: Referred to the House Committee on Ways and Means.

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

- **Mar 23, 2017:** Introduced in Senate
- **Mar 23, 2017:** Read twice and referred to the Committee on Finance.