

## S 2156

### S Corporation Modernization Act of 2019

**Congress:** 116 (2019–2021, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Jul 18, 2019

**Current Status:** Read twice and referred to the Committee on Finance. (text: CR S4950-4952)

**Latest Action:** Read twice and referred to the Committee on Finance. (text: CR S4950-4952) (Jul 18, 2019)

**Official Text:** <https://www.congress.gov/bill/116th-congress/senate-bill/2156>

## 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 18, 2019
Sen. Roberts, Pat [R-KS]	R · KS		Jul 18, 2019

## Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jul 18, 2019

## Subjects & Policy Tags

### Policy Area:

Taxation

## Related Bills

Bill	Relationship	Last Action
116 HR 5643	Related bill	Jan 16, 2020: Referred to the House Committee on Ways and Means.

## **S Corporation Modernization Act of 2019**

This bill modifies the tax treatment of S corporations (pass thru entities) to

- increase from 25% to 60% of S corporation gross receipts the threshold for taxing S corporations with passive investment income;
- eliminate a provision terminating the status of S corporations with excessive passive investment income for three consecutive years;
- permit S corporations to have individual retirement accounts as shareholders;
- 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
- permit the Internal Revenue Service to treat a late revocation of S corporation status as timely if it finds there was reasonable cause for failure to make a timely revocation.

## **Actions Timeline**

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- **Jul 18, 2019:** Introduced in Senate
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