

HR 2014

Reduction of Excess Business Holding Accrual Act

Congress: 119 (2025–2027, Current)

Chamber: House

Policy Area: Taxation

Introduced: Mar 10, 2025

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

Latest Action: Referred to the House Committee on Ways and Means. (Mar 10, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/house-bill/2014>

Sponsor

Name: Rep. Steube, W. Gregory [R-FL-17]

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

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 10, 2025

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
119 S 1416	Related bill	Apr 10, 2025: Read twice and referred to the Committee on Finance.

Reduction of Excess Business Holding Accrual Act

This bill treats certain stock repurchased by a corporation from an employee stock ownership plan (ESOP) as outstanding voting stock for purposes of the federal excise tax imposed on a private foundation's excess business holdings. Thus, a private foundation may exclude such stock in calculating present holdings in a corporation and liability for the excise tax. (Exceptions apply.)

As background, a federal excise tax is imposed on a private foundation that owns more than 20% of the voting stock in a corporation, reduced by the percentage of voting stock held by all disqualified persons (excess business holdings). However, a private foundation with excess business holdings on May 26, 1969 (grandfathered private foundation) may own a greater percentage of voting stock in certain circumstances.

Under the bill, stock is treated as outstanding voting stock if such stock is

- not readily tradable on an established securities market;
- repurchased from an ESOP on or after January 1, 2020; and
- held by the corporation as treasury stock, cancelled, or retired.

However, such stock is not treated as outstanding voting stock if it is repurchased within the first 10 years of establishing the ESOP or, as a result of the repurchase, the permitted holdings of the private foundation would exceed 49% of the voting stock in the corporation.

Finally, under the bill, such stock does not reduce the percentage of voting stock a grandfathered private foundation may own.

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