

JUNE 5, 2014

RULES COMMITTEE PRINT 113-46
TEXT OF H.R. 4453, THE PERMANENT S COR-
PORATION BUILT-IN GAINS RECOGNITION PE-
RIOD ACT OF 2014

**[Showing the texts of H.R. 4453 and H.R. 4454 as reported by
the Committee on Ways and Means with a modification.]**

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “S Corporation Perma-
3 nent Tax Relief Act of 2014”.

4 **SEC. 2. REDUCED RECOGNITION PERIOD FOR BUILT-IN**
5 **GAINS OF S CORPORATIONS MADE PERMA-**
6 **NENT.**

7 (a) IN GENERAL.—Paragraph (7) of section 1374(d)
8 of the Internal Revenue Code of 1986 is amended to read
9 as follows:

10 “(7) RECOGNITION PERIOD.—

11 “(A) IN GENERAL.—The term ‘recognition
12 period’ means the 5-year period beginning with
13 the 1st day of the 1st taxable year for which
14 the corporation was an S corporation. For pur-
15 poses of applying this section to any amount in-
16 cludible in income by reason of distributions to
17 shareholders pursuant to section 593(e), the

1 preceding sentence shall be applied without re-
2 gard to the phrase ‘5-year’.

3 “(B) INSTALLMENT SALES.—If an S cor-
4 poration sells an asset and reports the income
5 from the sale using the installment method
6 under section 453, the treatment of all pay-
7 ments received shall be governed by the provi-
8 sions of this paragraph applicable to the taxable
9 year in which such sale was made.”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to taxable years beginning after
12 December 31, 2013.

13 **SEC. 3. PERMANENT RULE REGARDING BASIS ADJUST-**
14 **MENT TO STOCK OF S CORPORATIONS MAK-**
15 **ING CHARITABLE CONTRIBUTIONS OF PROP-**
16 **ERTY.**

17 (a) IN GENERAL.—Section 1367(a)(2) of the Internal
18 Revenue Code of 1986 is amended by striking the last sen-
19 tence.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to contributions made in taxable
22 years beginning after December 31, 2013.

23 **SEC. 4. BUDGETARY EFFECTS.**

24 (a) STATUTORY PAY-AS-YOU-GO SCORECARDS.—The
25 budgetary effects of this Act shall not be entered on either

1 PAYGO scorecard maintained pursuant to section 4(d) of
2 the Statutory Pay-As-You-Go Act of 2010.

3 (b) SENATE PAYGO SCORECARDS.—The budgetary
4 effects of this Act shall not be entered on any PAYGO
5 scorecard maintained for purposes of section 201 of S.
6 Con. Res. 21 (110th Congress).

