I

115TH CONGRESS
1ST SESSION

H. R. 3508

To amend the Internal Revenue Code of 1986 to provide for a small partnership exception from certain requirements.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2017

Mr. RENACCI (for himself and Mr. DAVIDSON) introduced the following bill; which was referred to the Committee on Ways and Means

---

A BILL

To amend the Internal Revenue Code of 1986 to provide for a small partnership exception from certain requirements.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SMALL PARTNERSHIP EXCEPTION.

(a) IN GENERAL.—Paragraph (1) of section 6241 of the Internal Revenue Code of 1986, as in effect for returns filed for partnership taxable years beginning after December 31, 2017, is amended to read as follows:

"(1) PARTNERSHIP.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'partnership' means any partnership required to file a return under section 6031(a).

"(B) EXCEPTION FOR SMALL PARTNERSHIPS.—

"(i) IN GENERAL.—The term 'partnership' shall not include any partnership having 10 or fewer partners each of whom is an individual (other than a nonresident alien), a C corporation, or an estate of a deceased partner. For purposes of the preceding sentence, a husband and wife (and their estates) shall be treated as 1 partner.

"(ii) ELECTION TO HAVE SUBCHAPTER APPLY.—A partnership (within the meaning of subparagraph (A)) may for any taxable year elect to have clause (i) not apply. Such election shall apply for such taxable year and all subsequent taxable years unless revoked with the consent of the Secretary.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to returns filed for partnership taxable years beginning after December 31, 2017.

○