

S Corp Modernization Act

April 6, 2017

Dear Member of Congress:

As representatives of America's small and closely-held businesses, we are asking you to remove restrictions on America's job creators by cosponsoring the "S Corporation Modernization Act of 2017" (H.R. 1696/S. 711) introduced by Representatives Dave Reichert (R-WA) and Ron Kind (D-WI) and Senators John Thune (R-SD) and Ben Cardin (D-MD).

Main Street businesses are the growth engine of America's economy and S corporations are the cornerstone of the business community. There are more than 4.5 million S corporations nationwide. They are in every community and every industry and they employ one out of every four private sector workers.

Yet many of the rules that govern the day-to-day management of S corporations date back more than half a century. These outdated rules hurt the ability of S corporations to grow and create jobs. Many family-owned businesses would like to become S corporations, but the rules prevent them from doing so. Other S corporations are starved for capital, but find the rules limit their ability to attract investors.

Well into the 21st century, America's most popular form of business organization deserves rules adapted to today, not fifty years ago. The S Corporation Modernization Act would ensure the continued success of these businesses by:

- Increasing their access to capital by reducing S corporation ownership restrictions;
- Easing punitive restrictions that apply to converted S corporations and punish the unwary; and
- Leveling the rules of S corporations and partnerships when their assets are passed on from one generation to the next.

On behalf of America's small business community, we respectfully ask that you cosponsor the S Corporation Modernization Act.

Thank you for your consideration.

Sincerely,

American Council of Engineering Companies
The American Institute of Architects
American Supply Association
Associated Builders & Contractors
Associated General Contractors of America
Heating, Air-conditioning & Refrigeration Distributors International
Independent Community Bankers of America
Independent Electrical Contractors
International Franchise Association
National Apartment Association
National Beer Wholesalers Association
National Electrical Contractors Association
National Federation of Independent Business
National Grocers Association
National Multifamily Housing Council
National Roofing Contractors Association
S Corporation Association
Wine & Spirits Wholesalers of America