

112TH CONGRESS  
2D SESSION

# S. 3223

To amend the Internal Revenue Code of 1986 to permanently extend the reduction in the recognition period for built-in gains for S corporations.

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IN THE SENATE OF THE UNITED STATES

MAY 23, 2012

Mr. CARDIN (for himself, Mr. ROBERTS, and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the reduction in the recognition period for built-in gains for S corporations.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PERMANENT EXTENSION OF REDUCTION IN**  
4 **RECOGNITION PERIOD FOR BUILT-IN GAINS**  
5 **TAX.**

6 (a) IN GENERAL.—Subparagraph (A) of section  
7 1374(d)(7) of the Internal Revenue Code of 1986 (relating  
8 to recognition period) is amended by striking “10-year pe-  
9 riod” and inserting “5-year period”.

1 (b) CONFORMING AMENDMENTS.—Paragraph (7) of  
2 section 1374(d) of such Code is amended—

3 (1) by striking subparagraph (B),

4 (2) by redesignating subparagraph (C) as sub-  
5 paragraph (B), and

6 (3) in subparagraph (B), as redesignated by  
7 paragraph (2), by striking “pursuant to section  
8 593(e)” and all that follows and inserting “pursuant  
9 to section 593(e), subparagraph (A) shall be applied  
10 without regard to the phrase ‘5-year.’”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2011.

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