

119TH CONGRESS
1ST SESSION

S. 1371

To amend the Internal Revenue Code of 1986 to increase the number of eligible shareholders of an S corporation.

IN THE SENATE OF THE UNITED STATES

APRIL 9, 2025

Mr. BOOZMAN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the number of eligible shareholders of an S corporation.

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. SHORT TITLE.**

4 This Act may be cited as the “S-Corporation Addi-
5 tional Participation Act of 2025” or the “S-CAP Act of
6 2025”.

1 **SEC. 2. INCREASE IN NUMBER OF SHAREHOLDERS TO**
2 **QUALIFY AS AN S CORPORATION.**

3 (a) **IN GENERAL.**—Section 1361(b)(1)(A) of the In-
4 ternal Revenue Code of 1986 is amended by striking
5 “100” and inserting “250”.

6 (b) **EFFECTIVE DATE.**—The amendment made by
7 this section shall apply to taxable years beginning after
8 December 31, 2025.

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