

Committee on Ways and Means

Small Business and Infrastructure Jobs Tax Act of 2010

March 16, 2010

Brown-Waite Amendment #1

This amendment would expand the definition of “qualified small business” as it pertains to the 100% exclusion of capital gains on the sale of certain small business stock. Currently, only Subchapter C-Corporations are eligible. The amendment would include S-Corporations and partnerships.

AMENDMENT
OFFERED BY MS. GINNY BROWN-WAITE OF
FLORIDA

In section 101 insert after subsection (a) the following new subsection:

1 (b) SPECIAL RULE FOR OTHER SMALL BUSINESS IN-
2 TERESTS.—Subsection (a) of section 1202, as amended by
3 subsection (a) of this section, is amended by adding at
4 the end the following new paragraph:

5 “(5) SPECIAL RULE FOR OTHER SMALL BUSI-
6 NESS INTERESTS.—In the case of a capital or profits
7 interest in a partnership, or stock in an S corpora-
8 tion, acquired after March 15, 2010, and before
9 January 1, 2012, under regulations prescribed by
10 the Secretary, this section shall be treated as apply-
11 ing to such an interest or stock. The regulations pre-
12 scribed under this paragraph shall be based on prin-
13 ciples similar to the principles which apply in the
14 case of a C corporation under this section.”.

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