

1 taxable year beginning after December 31, 2017, and be-
2 fore January 1, 2026.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to taxable years beginning after
5 December 31, 2017.

6 **SEC. 11046. SUSPENSION OF OVERALL LIMITATION ON**
7 **ITEMIZED DEDUCTIONS.**

8 (a) IN GENERAL.—Section 68 is amended by adding
9 at the end the following new subsection:

10 “(f) SECTION NOT TO APPLY.—This section shall not
11 apply to any taxable year beginning after December 31,
12 2017, and before January 1, 202⁶/₅.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2017.

16 **SEC. 11047. MODIFICATION OF EXCLUSION OF GAIN FROM**
17 **SALE OF PRINCIPAL RESIDENCE.**

18 (a) IN GENERAL.—Section 121 is amended by adding
19 at the end the following new subsection:

20 “(h) SPECIAL RULES FOR SALES OR EXCHANGES IN
21 TAXABLE YEARS 2018 THROUGH 2025.—

22 “(1) IN GENERAL.—In applying this section
23 with respect to sales or exchanges after December
24 31, 2017, and before January 1, 2026—

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

SEC. 13543. MODIFICATION OF TREATMENT OF S CORPORATION CONVERSIONS TO C CORPORATIONS.

(a) IN GENERAL.—Section 1371 is amended by adding at the end the following new subsection:

“(f) CASH DISTRIBUTIONS FOLLOWING POST-TERMINATION TRANSITION PERIOD.—

“(1) IN GENERAL.—In the case of a distribution of money by an eligible terminated S corporation after the post-termination transition period, the accumulated adjustments account shall be allocated to such distribution, and the distribution shall be chargeable to accumulated earnings and profits, in the same ratio as the amount of such accumulated adjustments account bears to the amount of such accumulated earnings and profits.

“(2) ELIGIBLE TERMINATED S CORPORATION.—For purposes of this subsection, the term ‘eligible terminated S corporation’ means any C corporation—

“(A) which—

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(a) adjustments attributable to conversion from S corporation to Corporation — Section 481 is amended by adding at the end the following new subsection:

(d) Adjustments attributable to conversion from a corporation to a C corporation.

(i) In general, in the case of an eligible terminated S corporation, any increase in tax under this chapter, by reason of a adjustment required by subsection (a)(2) and which is attributable to such corporation's reversion described in paragraph (4)(ii), shall be taken into account ratably during the 6-taxable year period beginning with the

(4)(ii), shall be taken into account ratably during the 6-taxable year period beginning with the