

1.1 moves to amend H.F. No. 360 as follows:

1.2 Page 2, line 22, delete "after the effective date of this section" and insert "on or after
1.3 August 1, 2025"

1.4 Page 11, line 29, delete "subsection" and insert "paragraph"

1.5 Page 17, line 10, delete "subsection" and insert "paragraph"

1.6 Page 20, line 7, before "An" insert "(a)"

1.7 Page 21, line 9, after the semicolon, insert "or"

1.8 Page 21, delete lines 10 to 21

1.9 Page 21, line 22, delete "(v)" and insert "(iv)"

1.10 Page 21, after line 24, insert:

1.11 "(b) If the property of the invaded trust includes shares of stock in an S corporation, as
1.12 defined in section 1361 of the Internal Revenue Code, and the invaded trust is, or but for
1.13 the exercise of power to invade the trust principal under this section would be, a permitted
1.14 shareholder under any provision of section 1361 of the Internal Revenue Code, the authorized
1.15 trustee may exercise the power with respect to part or all of the S corporation stock only if
1.16 any appointed trust receiving the stock is a permitted shareholder under section 1361(c)(2)
1.17 of the Internal Revenue Code. If the property of the invaded trust includes shares of stock
1.18 in an S corporation and the invaded trust is, or but for the exercise of power to invade the
1.19 trust principal under this section would be, a qualified subchapter S trust within the meaning
1.20 of section 1361(d) of the Internal Revenue Code, the appointed trust instrument must not
1.21 include or omit a term that prevents the appointed trust from qualifying as a qualified
1.22 subchapter S trust."

1.23 Page 22, after line 23, insert:

- 2.1 "**EFFECTIVE DATE.** This section is effective the day following final enactment and
- 2.2 applies to actions commenced on or after that date."