

106TH CONGRESS
1ST SESSION

S. 1299

To amend the Internal Revenue Code of 1986 to provide corporate alternative minimum tax reform.

IN THE SENATE OF THE UNITED STATES

JUNE 29, 1999

Mr. ROCKEFELLER (for himself, Mr. NICKLES, Mr. ROBB, Mr. HATCH, and Mr. MACK) 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 provide corporate alternative minimum tax reform.

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 “Alternative Minimum
5 Tax Reform Act of 1999”.

6 **SEC. 2. LONG-TERM UNUSED CREDITS ALLOWED AGAINST**
7 **MINIMUM TAX.**

8 (a) IN GENERAL.—Subsection (c) of section 53 of the
9 Internal Revenue Code of 1986 (relating to limitation) is
10 amended by adding at the end the following:

1 “(2) SPECIAL RULE FOR CORPORATIONS WITH
2 LONG-TERM UNUSED CREDITS.—

3 “(A) IN GENERAL.—If a corporation to
4 which section 56(g) applies has a long-term un-
5 used minimum tax credit for a taxable year, the
6 credit allowable under subsection (a) for the
7 taxable year shall not exceed the greater of—

8 “(i) the limitation determined under
9 paragraph (1) for the taxable year, or

10 “(ii) the least of the following for the
11 taxable year:

12 “(I) The sum of the tax imposed
13 by section 55 and the regular tax re-
14 duced by the sum of the credits al-
15 lowed under subparts A, B, D, E, and
16 F of this part.

17 “(II) The long-term unused min-
18 imum tax credit.

19 “(III) The sum of—

20 “(aa) the excess (if any) of
21 the amount under paragraph
22 (1)(A) over the amount under
23 paragraph (1)(B), plus

1 “(bb) 50 percent of the ten-
 2 tative minimum tax (determined
 3 under section 55(b)(1)(B)).

4 “(B) LONG-TERM UNUSED MINIMUM TAX
 5 CREDIT.—For purposes of this paragraph—

6 “(i) IN GENERAL.—The long-term un-
 7 used minimum tax credit for any taxable
 8 year is the portion of the minimum tax
 9 credit determined under subsection (b) at-
 10 tributable to the adjusted net minimum tax
 11 for taxable years beginning after 1986 and
 12 ending before the 3rd taxable year imme-
 13 diately preceding the taxable year for
 14 which the determination is being made.

15 “(ii) FIRST-IN, FIRST-OUT ORDERING
 16 RULE.—For purposes of clause (i), credits
 17 shall be treated as allowed under sub-
 18 section (a) on a first-in, first-out basis.”.

19 (b) CONFORMING AMENDMENTS.—Section 53(c) of
 20 such Code is amended—

21 (1) by striking “The” and inserting the fol-
 22 lowing:

23 “(1) IN GENERAL.—The”; and

24 (2) by redesignating paragraphs (1) and (2) as
 25 subparagraphs (A) and (B), respectively.

1 **SEC. 3. 10-YEAR CARRYBACK OF CERTAIN NET OPERATING**
2 **LOSSES.**

3 Section 56(d) of the Internal Revenue Code of 1986
4 (relating to definition of alternative tax net operating loss
5 deduction) is amended by adding at the end the following:

6 “(3) SPECIAL RULE.—In the case of a corpora-
7 tion to which section 56(g) applies which has a net
8 operating loss under this part for 3 or more consecu-
9 tive taxable years which includes a taxable year be-
10 ginning after the date of enactment of this para-
11 graph, the loss for each such year shall be a net op-
12 erating loss carryback for purposes of this part to
13 each of the 10 years preceding the taxable year of
14 such loss.”.

15 **SEC. 4. EFFECTIVE DATE.**

16 The amendments made by this Act shall apply to tax-
17 able years beginning after December 31, 1998.

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