

108TH CONGRESS
2D SESSION

H. R. 3977

To amend the Internal Revenue Code of 1986 to allow the work opportunity credit, welfare-to-work credit, and research credit against the alternative minimum tax.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2004

Mr. ENGLISH introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow the work opportunity credit, welfare-to-work credit, and research credit against the alternative minimum tax.

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. WORK OPPORTUNITY CREDIT, WELFARE-TO-**
4 **WORK CREDIT, AND RESEARCH CREDIT AL-**
5 **LOWED AGAINST ALTERNATIVE MINIMUM**
6 **TAX.**

7 (a) IN GENERAL.—Subsection (c) of section 38 of the
8 Internal Revenue Code of 1986 (relating to limitation
9 based on amount of tax) is amended by redesignating

1 paragraph (4) as paragraph (7) and by inserting after
2 paragraph (3) the following new paragraphs:

3 “(4) SPECIAL RULES FOR WORK OPPORTUNITY
4 CREDIT.—

5 “(A) IN GENERAL.—In the case of the
6 work opportunity credit—

7 “(i) this section and section 39 shall
8 be applied separately with respect to such
9 credit, and

10 “(ii) in applying paragraph (1) to
11 such credit—

12 “(I) subparagraph (A) shall not
13 apply, and

14 “(II) the limitation under para-
15 graph (1) (as modified by subclause
16 (I)) shall be reduced by the credit al-
17 lowed under subsection (a) for the
18 taxable year (other than the work op-
19 portunity credit, the welfare-to-work
20 credit, or the research credit).

21 “(B) WORK OPPORTUNITY CREDIT.—For
22 purposes of this subsection, the term ‘work op-
23 portunity credit’ means the credit allowable
24 under subsection (a) by reason of section 51(a).

1 “(5) SPECIAL RULES FOR WELFARE-TO-WORK
2 CREDIT.—

3 “(A) IN GENERAL.—In the case of the wel-
4 fare-to-work credit—

5 “(i) this section and section 39 shall
6 be applied separately with respect to such
7 credit, and

8 “(ii) in applying paragraph (1) to
9 such credit—

10 “(I) subparagraph (A) shall not
11 apply, and

12 “(II) the limitation under para-
13 graph (1) (as modified by subclause
14 (I)) shall be reduced by the credit al-
15 lowed under subsection (a) for the
16 taxable year (other than the welfare-
17 to-work credit or the research credit).

18 “(B) WELFARE-TO-WORK CREDIT.—For
19 purposes of this subsection, the term ‘welfare-
20 to-work credit’ means the credit allowable under
21 subsection (a) by reason of section 51A(d)(2).

22 “(6) SPECIAL RULES FOR RESEARCH CREDIT.—

23 “(A) IN GENERAL.—In the case of the re-
24 search credit—

1 “(i) this section and section 39 shall
 2 be applied separately with respect to such
 3 credit, and

4 “(ii) in applying paragraph (1) to
 5 such credit—

6 “(I) subparagraph (A) shall not
 7 apply, and

8 “(II) the limitation under para-
 9 graph (1) (as modified by subclause
 10 (I)) shall be reduced by the credit al-
 11 lowed under subsection (a) for the
 12 taxable year (other than the research
 13 credit).

14 “(B) RESEARCH CREDIT.—For purposes of
 15 this subsection, the term ‘research credit’
 16 means the credit allowable under subsection (a)
 17 by reason of section 41.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Subclause (II) of section 38(c)(2)(A)(ii) of
 20 such Code is amended—

21 (A) by striking “or” after “employment
 22 credit” and inserting a comma, and

23 (B) by inserting “, the work opportunity
 24 credit, the welfare-to-work credit, or the re-
 25 search credit” after “employee credit”.

1 (2) Subclause (II) of section 38(c)(3)(A)(ii) of
2 such Code is amended by inserting “, the work op-
3 portunity credit, the welfare-to-work, or the research
4 credit” after “employee credit”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2004.

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