

108TH CONGRESS  
1ST SESSION

# H. R. 43

To amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax on corporations and individuals.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

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

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax on corporations and individuals.

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 Repeal Act of 2003”.

6 **SEC. 2. REPEAL OF ALTERNATIVE MINIMUM TAX ON COR-**  
7 **PORATIONS.**

8 (a) IN GENERAL.—Subsection (a) of section 55 of the  
9 Internal Revenue Code of 1986 is amended by adding at  
10 the end the following new sentence:

1 “No tax shall be imposed by this section on any corpora-  
2 tion for any taxable year beginning after December 31,  
3 2002, and the tentative minimum tax of any corporation  
4 for any such taxable year shall be zero for purposes of  
5 this title.”

6 (b) LIMITATION ON USE OF CREDIT FOR PRIOR  
7 YEAR MINIMUM TAX LIABILITY.—Subsection (c) of sec-  
8 tion 53 of such Code is amended to read as follows:

9 “(c) LIMITATION.—

10 “(1) IN GENERAL.—Except as otherwise pro-  
11 vided in this subsection, the credit allowable under  
12 subsection (a) for any taxable year shall not exceed  
13 the excess (if any) of—

14 “(A) the regular tax liability of the tax-  
15 payer for such taxable year reduced by the sum  
16 of the credits allowable under subparts A, B, D,  
17 E, and F of this part, over

18 “(B) the tentative minimum tax for the  
19 taxable year.

20 “(2) CORPORATIONS.—In the case of corpora-  
21 tion for any taxable year beginning after December  
22 31, 2002, the limitation under paragraph (1) shall  
23 be determined—

24 “(A) without regard to the last sentence of  
25 section 55(a), and



1 (A) by striking “\$45,000 (\$49,000 in the  
2 case of taxable years beginning in 2001, 2002,  
3 2003, and 2004)” and inserting “\$52,000”,

4 (B) by striking “\$33,750 (\$37,750 in the  
5 case of taxable years beginning in 2001, 2002,  
6 2003, and 2004)” and inserting “\$38,000”,  
7 and

8 (C) by striking “\$22,500” and inserting  
9 “ $\frac{1}{2}$  the amount applicable under subparagraph  
10 (A)”.

11 (2) ADDITIONAL INCREASES IN EXEMPTION  
12 AMOUNTS; REPEAL OF PHASE-OUT OF EXEMPTION  
13 AMOUNTS.—Paragraph (3) of section 55(d) of such  
14 Code is amended to read as follows:

15 “(3) INCREASES IN EXEMPTION AMOUNTS FOR  
16 TAXPAYERS OTHER THAN CORPORATIONS.—

17 “(A) IN GENERAL.—The exemption  
18 amounts under paragraph (1) for taxable years  
19 beginning in any calendar year after 2003 shall  
20 be determined by increasing the dollar amounts  
21 contained in subparagraphs (A) and (B) of  
22 paragraph (1) by the applicable percentage for  
23 such calendar year of such dollar amounts.

24 “(B) APPLICABLE PERCENTAGE.—For  
25 purposes of subparagraph (A), the applicable

1 percentage shall be determined in accordance  
 2 with the following table:

<b>“For calendar year—</b>	<b>The applicable percentage is—</b>
2004 .....	10
2005 .....	20
2006 .....	30
2007 .....	40
2008 .....	50
2009 .....	60
2010 .....	70
2011 .....	80
2012 .....	90.

3 “(C) ROUNDING.—If any amount, as in-  
 4 creased under subparagraph (A) is not a mul-  
 5 tiple of \$5, such amount shall be increased to  
 6 the nearest multiple of \$5.”

7 (c) NONREFUNDABLE PERSONAL CREDITS FULLY  
 8 ALLOWED AGAINST REGULAR TAX LIABILITY.—

9 (1) IN GENERAL.—Subsection (a) of section 26  
 10 of such Code (relating to limitation based on amount  
 11 of tax) is amended to read as follows:

12 “(a) LIMITATION BASED ON AMOUNT OF TAX.—The  
 13 aggregate amount of credits allowed by this subpart for  
 14 the taxable year shall not exceed the sum of—

15 “(1) the taxpayer’s regular tax liability for the  
 16 taxable year reduced by the foreign tax credit allow-  
 17 able under section 27(a), and

18 “(2) the tax imposed by section 55(a) for the  
 19 taxable year.”.

1           (2) CONFORMING AMENDMENT.—Section 904  
2           of such Code is amended by striking subsection (h).

3           (d) LIMITATION ON USE OF CREDIT FOR PRIOR  
4 YEAR MINIMUM TAX LIABILITY.—Subsection (c) of sec-  
5 tion 53 of such Code, as amended by section 1, is amended  
6 by adding at the end the following new paragraph:

7           “(3) INDIVIDUALS FOR TAXABLE YEARS BEGIN-  
8           NING AFTER 2012.—In the case of any taxable year  
9           beginning after 2012, the credit allowable under  
10          subsection (a) to a taxpayer other than a corpora-  
11          tion for any taxable year shall not exceed 90 percent  
12          of the excess (if any) of—

13                 “(A) regular tax liability of the taxpayer  
14                 for such taxable year, over

15                 “(B) the sum of the credits allowable  
16                 under subparts A, B, D, E, and F of this  
17                 part.”.

18          (e) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2002.

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