

109TH CONGRESS  
1ST SESSION

# H. R. 1538

To amend the Internal Revenue Code of 1986 to increase the exemption amounts for individuals under the alternative minimum tax.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 2005

Mr. ISRAEL (for himself and Mrs. LOWEY) 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 increase the exemption amounts for individuals under 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. INCREASE IN EXEMPTION AMOUNTS FOR INDIVIDUALS UNDER ALTERNATIVE MINIMUM TAX.**

6       (a) IN GENERAL.—Paragraph (1) of section 55(d) of  
7       the Internal Revenue Code of 1986 is amended—

8               (1) in subparagraph (A) by striking “\$45,000  
9       (\$58,000 in the case of taxable years beginning in

1       2003, 2004, and 2005)” and inserting “\$100,000”,  
2       and

3               (2) in subparagraph (B) by striking “\$33,750  
4       (\$40,250 in the case of taxable years beginning in  
5       2003, 2004, and 2005)” and inserting “75 percent  
6       of the dollar amount applicable under subparagraph  
7       (A)”.

8       (b) INCREASE IN THRESHOLD FOR PHASING OUT  
9       EXEMPTION AMOUNT.—Subparagraphs (A), (B), and (C)  
10      of section 55(d)(3) of such Code are amended to read as  
11      follows:

12               “(A) \$250,000 in the case of a taxpayer  
13               described in paragraph (1)(A) or (2), and

14               “(B) 50 percent of the dollar amount ap-  
15               plicable under subparagraph (A) in the case of  
16               a taxpayer described in subparagraph (B), (C),  
17               or (D) of paragraph (1).”

18       (c) INCREASE IN RATE OF PHASE-OUT OF EXEMP-  
19       TION AMOUNT.—Paragraph (3) of section 55(d) of such  
20       Code is amended by striking “25 percent” and inserting  
21       “50 percent”.

22       (d) INFLATION ADJUSTMENT OF EXEMPTION AND  
23       THRESHOLD AMOUNTS.—Subsection (d) of section 55 of  
24       such Code is amended by adding at the end the following  
25       new paragraph:

1           “(4) INFLATION ADJUSTMENT OF EXEMPTION  
 2           AND THRESHOLD AMOUNTS FOR INDIVIDUALS.—In  
 3           the case of any taxable year beginning in a calendar  
 4           year after 2006, each of the dollar amounts set forth  
 5           in paragraphs (1)(A) and (3)(A) shall be increased  
 6           by an amount equal to—

7                   “(A) such dollar amount, multiplied by

8                   “(B) the cost-of-living adjustment deter-  
 9                   mined under section 1(f)(3) for such calendar  
 10                  year by substituting ‘calendar year 2005’ for  
 11                  ‘calendar year 1992’ in subparagraph (B)  
 12                  thereof.

13   If any amount as adjusted under the preceding sentence  
 14   is not a multiple of \$1,000, such amount shall be rounded  
 15   to the nearest multiple of \$1,000.”.

16       (e) EFFECTIVE DATE.—The amendments made by  
 17   this section shall apply to taxable years beginning after  
 18   the date of the enactment of this Act.

19       (f) COORDINATION WITH SUNSET OF BENEFITS.—  
 20   Title IX of the Economic Growth and Tax Relief Rec-  
 21   onciliation Act of 2001 shall not apply to the amendments  
 22   made by this section.

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