

109TH CONGRESS  
1ST SESSION

# H. R. 3385

To amend the Internal Revenue Code of 1986 to make the credit for prior year minimum tax liability refundable for individuals after a period of years, to require returns with respect to certain stock options, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2005

Mr. SAM JOHNSON of Texas (for himself, Mr. NEAL of Massachusetts, Mr. McCRERY, Mr. JEFFERSON, Mr. RAMSTAD, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. ENGLISH of Pennsylvania, Ms. ZOE LOFGREN of California, Mr. SIMMONS, Mr. HONDA, Mr. McCAUL of Texas, Mr. PAUL, and Mr. GERLACH) 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 make the credit for prior year minimum tax liability refundable for individuals after a period of years, to require returns with respect to certain stock options, and for other purposes.

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 “AMT Credit Fairness  
5 Act of 2005”.

1 **SEC. 2. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY**  
 2 **MADE REFUNDABLE AFTER PERIOD OF**  
 3 **YEARS.**

4 (a) IN GENERAL.—Section 53 of the Internal Rev-  
 5 enue Code of 1986 (relating to credit for prior year min-  
 6 imum tax liability) is amended by adding at the end the  
 7 following new subsection:

8 “(e) SPECIAL RULE FOR INDIVIDUALS WITH LONG-  
 9 TERM UNUSED CREDITS.—

10 “(1) IN GENERAL.—If an individual has a long-  
 11 term unused minimum tax credit for any taxable  
 12 year, the amount determined under subsection (c)  
 13 for such taxable year shall not be less than an  
 14 amount equal to the greater of—

15 “(A) the lesser of—

16 “(i) \$5,000, or

17 “(ii) the amount of such credit, or

18 “(B) 20 percent of the amount of such  
 19 credit.

20 “(2) LONG-TERM UNUSED MINIMUM TAX CRED-  
 21 IT.—

22 “(A) IN GENERAL.—For purposes of this  
 23 subsection, the term ‘long-term unused min-  
 24 imum tax credit’ means, with respect to any  
 25 taxable year, the portion of the minimum tax  
 26 credit determined under subsection (b) attrib-

1           utable to the adjusted net minimum tax for tax-  
 2           able years before the 3rd taxable year imme-  
 3           diately preceeding such taxable year.

4           “(B) FIRST-IN, FIRST-OUT ORDERING  
 5           RULE.—For purposes of subparagraph (A),  
 6           credits shall be treated as allowed under sub-  
 7           section (a) on a first-in, first-out basis.

8           “(3) CREDIT REFUNDABLE.—For purposes of  
 9           this title (other than this section), the credit allowed  
 10          by reason of this subsection shall be treated as if it  
 11          were allowed under subpart C.”.

12          (b) CONFORMING AMENDMENT.—Paragraph (2) of  
 13          section 1324(b) of title 31, United States Code, is amend-  
 14          ed by inserting “or 53(e)” after “section 35”.

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

18      **SEC. 3. RETURNS REQUIRED IN CONNECTION WITH CER-**  
 19                              **TAIN OPTIONS.**

20          (a) IN GENERAL.—So much of section 6039(a) of the  
 21          Internal Revenue Code of 1986 as follows paragraph (2)  
 22          is amended to read as follows:

23          “shall, for such calendar year, make a return at such time  
 24          and in such manner, and setting forth such information,  
 25          as the Secretary may by regulations prescribe.”.

1       (b) STATEMENTS TO PERSONS WITH RESPECT TO  
 2 WHOM INFORMATION IS FURNISHED.—Section 6039 of  
 3 such Code is amended by redesignating subsections (b)  
 4 and (c) as subsection (c) and (d), respectively, and by in-  
 5 serting after subsection (a) the following new subsection:

6       “(b) STATEMENTS TO BE FURNISHED TO PERSONS  
 7 WITH RESPECT TO WHOM INFORMATION IS RE-  
 8 PORTED.—Every corporation making a return under sub-  
 9 section (a) shall furnish to each person whose name is set  
 10 forth in such return a written statement setting forth such  
 11 information as the Secretary may by regulations prescribe.  
 12 The written statement required under the preceding sen-  
 13 tence shall be furnished to such person on or before Janu-  
 14 ary 31 of the year following the calendar year for which  
 15 the return under subsection (a) was made.”.

16       (c) CONFORMING AMENDMENTS.—

17       (1) Section 6724(d)(1)(B) of such Code is  
 18 amended by striking “or” at the end of clause (xvii),  
 19 by striking “and” at the end of clause (xviii) and in-  
 20 serting “or”, and by adding at the end the following  
 21 new clause:

22                       “(xix) section 6039(a) (relating to re-  
 23 turns required with respect to certain op-  
 24 tions), and”.

1           (2) Section 6724(d)(2)(B) of such Code is  
2           amended by striking “section 6039(a)” and inserting  
3           “section 6039(b)”.

4           (3) The heading of section 6039 of such Code  
5           and the item relating to such section in the table of  
6           sections of subpart A of part III of subchapter A of  
7           chapter 61 of such Code are each amended by strik-  
8           ing “Information” and inserting “Returns”.

9           (4) The heading of subsection (a) of section  
10          6039 of such Code is amended by striking “FUR-  
11          NISHING OF INFORMATION” and inserting “RE-  
12          QUIREMENT OF REPORTING”.

13          (d) EFFECTIVE DATE.—The amendments made by  
14          this section shall apply to calendar years beginning after  
15          the date of the enactment of this Act.

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