

110TH CONGRESS
1ST SESSION

H. R. 1942

To amend the Internal Revenue Code of 1986 to modify the alternative minimum tax on individuals by permitting the deduction for State and local taxes and to adjust the exemption amounts for inflation.

IN THE HOUSE OF REPRESENTATIVES

APRIL 19, 2007

Mr. GARRETT of New Jersey (for himself, Mr. MILLER of Florida, Mr. BURTON of Indiana, Mr. WOLF, Mr. CULBERSON, and Mr. SOUDER) 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 modify the alternative minimum tax on individuals by permitting the deduction for State and local taxes and to adjust the exemption amounts for inflation.

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 Middle Class
5 Fairness Act of 2007”.

1 **SEC. 2. MODIFICATIONS TO ALTERNATIVE MINIMUM TAX**2 **ON INDIVIDUALS.**

3 (a) REPEAL OF LIMIT ON DEDUCTION FOR STATE
4 AND LOCAL TAXES.—Subparagraph (A) of section
5 56(b)(1) of the Internal Revenue Code of 1986 is amended
6 to read as follows:

7 “(A) IN GENERAL.—No deduction shall be
8 allowed for any miscellaneous itemized deduc-
9 tion (as defined in section 67(b)).”.

10 (b) ADJUSTMENT FOR INFLATION.—

11 (1) IN GENERAL.—Subsection (d) of section 55
12 of such Code is amended by adding at the end the
13 following new paragraph:

14 “(4) INFLATION ADJUSTMENT.—

15 “(A) IN GENERAL.—In the case of a tax-
16 able year beginning in a calendar year after
17 2006, each of the dollar amounts contained in
18 subparagraphs (A) and (B) of paragraph (1)
19 shall be increased by an amount equal to—

20 “(i) such dollar amount, multiplied by
21 “(ii) the cost-of-living adjustment de-
22 termined under section 1(f)(3) for the cal-
23 endar year in which the taxable year be-
24 gins, determined by substituting ‘calendar
25 year 2005’ for ‘calendar year 1992’ in sub-
26 paragraph (B) thereof.

1 “(B) ROUNDING.—Any increase deter-
2 mined under subparagraph (A) shall be rounded
3 to the nearest multiple of \$100.”.

4 (2) CONFORMING AMENDMENTS.—Paragraph
5 (1) of section 55(d) of such Code is amended—

6 (A) by striking “\$45,000 (\$62,550 in the
7 case of taxable years beginning in 2006)” in
8 subparagraph (A) and inserting “\$62,550”, and

9 (B) by striking “\$33,750 (\$42,500 in the
10 case of taxable years beginning in 2006)” in
11 subparagraph (B) and inserting “\$42,500”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2006.

