

110TH CONGRESS
1ST SESSION

H. R. 3694

To amend the Internal Revenue Code of 1986 to provide corporate alternative minimum tax reform.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2007

Mr. ENGLISH of Pennsylvania 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 provide corporate alternative minimum tax reform.

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 Reform Act of 2007”.

6 **SEC. 2. LONG-TERM UNUSED CREDITS ALLOWED AGAINST**
7 **MINIMUM TAX.**

8 (a) IN GENERAL.—Subsection (c) of section 53 of the
9 Internal Revenue Code of 1986 (relating to limitation) is

1 amended by adding at the end the following new para-
2 graph:

3 “(2) SPECIAL RULE FOR CORPORATIONS WITH
4 LONG-TERM UNUSED CREDITS.—

5 “(A) IN GENERAL.—If a corporation to
6 which section 56(g) applies has a long-term un-
7 used minimum tax credit for a taxable year, the
8 credit allowable under subsection (a) for the
9 taxable year shall not exceed the greater of—

10 “(i) the limitation determined under
11 paragraph (1) for the taxable year, or

12 “(ii) the least of the following for the
13 taxable year:

14 “(I) The sum of the tax imposed
15 by section 55 and the regular tax re-
16 duced by the sum of the credits al-
17 lowed under subparts A, B, D, E, and
18 F of this part.

19 “(II) The long-term unused min-
20 imum tax credit.

21 “(III) The sum of—

22 “(aa) 50 percent of qualified
23 investment, plus

1 “(bb) the qualified invest-
2 ment carryover to the taxable
3 year.

4 “(B) LONG-TERM UNUSED MINIMUM TAX
5 CREDIT.—For purposes of this paragraph—

6 “(i) IN GENERAL.—The long-term un-
7 used minimum tax credit for any taxable
8 year is the portion of the minimum tax
9 credit determined under subsection (b) at-
10 tributable to the adjusted net minimum tax
11 for taxable years beginning after 1986 and
12 ending before the 3rd taxable year imme-
13 diately preceding the taxable year for
14 which the determination is being made.

15 “(ii) FIRST-IN, FIRST-OUT ORDERING
16 RULE.—For purposes of clause (i), credits
17 shall be treated as allowed under sub-
18 section (a) on a first-in, first-out basis.

19 “(C) QUALIFIED INVESTMENT AND QUALI-
20 FIED INVESTMENT CARRYOVER.—For purposes
21 of this paragraph—

22 “(i) QUALIFIED INVESTMENT.—Quali-
23 fied investment is property described in
24 section 1245(a)(3) placed in service in the
25 taxable year.

1 “(ii) QUALIFIED INVESTMENT CARRY-
2 OVER.—The qualified investment carryover
3 is the amount by which 50 percent of
4 qualified investment exceeds the amount of
5 tax in paragraph (2)(A)(ii)(I). The quali-
6 fied investment carryover may be carried
7 only to the first taxable year following the
8 current year.”.

9 (b) CONFORMING AMENDMENTS.—Section 53(c) of
10 such Code is amended—

11 (1) by striking “The” and inserting the fol-
12 lowing:

13 “(1) IN GENERAL.—The”; and

14 (2) by redesignating paragraphs (1) and (2) as
15 subparagraphs (A) and (B), respectively.

16 **SEC. 3. NET OPERATING LOSSES UNDER MINIMUM TAX.**

17 Subsection (d) of section 56 of the Internal Revenue
18 Code of 1986 (relating to definition of alternative tax net
19 operating loss deduction) is amended by inserting at the
20 end thereof the following new paragraph:

21 “(3) SPECIAL RULE FOR CERTAIN CORPORA-
22 TIONS.—In the case of a corporation to which sub-
23 section (g) applies, paragraph (1) shall apply with-
24 out regard to any limitation imposed by paragraph
25 (1)(A)(i)(II).”.

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments made by this Act shall apply to tax-
3 able years beginning after December 31, 2006.

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