

110TH CONGRESS
1ST SESSION

H. R. 3758

To amend the Internal Revenue Code of 1986 to reduce the alternative minimum tax by increasing the exemption amounts and adjusting them for inflation and by making permanent law the allowance of the dependent care credit, the child credit, and the adoption credit against such tax.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2007

Mr. HALL of New York 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 reduce the alternative minimum tax by increasing the exemption amounts and adjusting them for inflation and by making permanent law the allowance of the dependent care credit, the child credit, and the adoption credit against such 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. SHORT TITLE.**

4 This Act may be cited as the “Family Tax Relief Act
5 of 2007”.

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

2 (a) INCREASE IN EXEMPTION AMOUNTS.—

3 (1) IN GENERAL.—Paragraph (1) of section
4 55(d) of the Internal Revenue Code of 1986 is
5 amended—

6 (A) by striking “\$45,000 (\$62,550 in the
7 case of taxable years beginning in 2006)” and
8 inserting “\$100,000”,

9 (B) by striking “\$33,750 (\$42,500 in the
10 case of taxable years beginning in 2006)” and
11 inserting “50 percent of the dollar amount ap-
12 plicable under subparagraph (A)”, and

13 (C) by striking “paragraph (1)(A)” and in-
14 serting “subparagraph (A)”.

15 (2) INFLATION ADJUSTMENT.—Subsection (d)
16 of section 55 of such Code is amended by adding at
17 the end the following new paragraph:

18 “(4) INFLATION ADJUSTMENT.—

19 “(A) IN GENERAL.—In the case of any
20 taxable year beginning in a calendar year after
21 2008, the dollar amounts contained in para-
22 graphs (1) and (3) shall be increased by an
23 amount equal to—

24 “(i) such dollar amount, multiplied by

25 “(ii) the cost-of-living adjustment de-
26 termined under section 1(f)(3) for the cal-

1 endar year in which the taxable year be-
2 gins, determined by substituting ‘calendar
3 year 2007’ for ‘calendar year 1992’ in sub-
4 paragraph (B) thereof.

5 Any increase determined under the preceding
6 sentence shall be rounded to the nearest mul-
7 tiple of \$100.

8 “(B) EXCEPTIONS.—Subparagraph (A)
9 shall not apply for purposes of determining any
10 dollar amount applicable to a corporation, es-
11 tate, or trust.”.

12 (b) ALLOWANCE OF CHILD CREDIT AND ADOPTION
13 CREDIT AGAINST AMT MADE PERMANENT LAW.—Title
14 IX of the Economic Growth and Tax Relief Reconciliation
15 Act of 2001 shall not apply to the amendments made by
16 sections 201(b) and 202(f) of such Act.

17 (c) ALLOWANCE OF DEPENDENT CARE CREDIT
18 AGAINST AMT MADE PERMANENT LAW.—

19 (1) Paragraph (1) of section 26(a) of such Code
20 is amended by inserting “21,” before “23,”.

21 (2) Section 21 of such Code is amended by re-
22 designating subsection (f) as subsection (g) and by
23 inserting after subsection (e) the following new sub-
24 section:

1 “(f) LIMITATION BASED ON AMOUNT OF TAX.—In
2 the case of a taxable year to which section 26(a)(2) does
3 not apply, the credit allowed under subsection (a) for any
4 taxable year shall not exceed the excess of—

5 “(1) the sum of the regular tax liability (as de-
6 fined in section 26(b)) plus the tax imposed by sec-
7 tion 55, over

8 “(2) the sum of the credits allowable under this
9 subpart (other than this section and sections 23, 24,
10 and 25B) and section 27 for the taxable year.”.

11 (d) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), the amendments made by this section
14 shall apply to taxable years beginning after Decem-
15 ber 31, 2007.

16 (2) ALLOWANCE OF DEPENDENT CARE CREDIT
17 AGAINST AMT.—The amendments made by sub-
18 section (c) shall apply to taxable years beginning
19 after December 31, 2006.

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