

Calendar No. 464

110TH CONGRESS
1ST SESSION**S. 2293**

To amend the Internal Revenue Code of 1986 to repeal the individual alternative minimum tax, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 2007

Mr. LOTT (for himself, Mr. GRASSLEY, Mr. KYL, Mr. SMITH, Mr. BUNNING, Mr. CRAPO, Mr. ROBERTS, Mr. HATCH, Ms. SNOWE, and Mr. ENSIGN) introduced the following bill; which was read the first time

NOVEMBER 2, 2007

Read the second time and placed on the calendar

A BILL

To amend the Internal Revenue Code of 1986 to repeal the individual alternative minimum tax, 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 “Individual Alternative
5 Minimum Tax Repeal Act of 2007”.

1 **SEC. 2. REPEAL OF INDIVIDUAL ALTERNATIVE MINIMUM**
 2 **TAX.**

3 (a) IN GENERAL.—Section 55(a) of the Internal Rev-
 4 enue Code of 1986 (relating to alternative minimum tax
 5 imposed) is amended by adding at the end the following
 6 new flush sentence:

7 “For purposes of this title, the tentative minimum tax on
 8 any taxpayer other than a corporation for any taxable year
 9 beginning after December 31, 2006, shall be zero.”.

10 (b) MODIFICATION OF LIMITATION ON USE OF
 11 CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—
 12 Subsection (c) of section 53 of the Internal Revenue Code
 13 of 1986 (relating to credit for prior year minimum tax
 14 liability) is amended to read as follows:

15 “(c) LIMITATION.—

16 “(1) IN GENERAL.—Except as provided in para-
 17 graph (2), the credit allowable under subsection (a)
 18 for any taxable year shall not exceed the excess (if
 19 any) of—

20 “(A) the regular tax liability of the tax-
 21 payer for such taxable year reduced by the sum
 22 of the credits allowable under subparts A, B, D,
 23 E, and F of this part, over

24 “(B) the tentative minimum tax for the
 25 taxable year.

1 “(2) TAXABLE YEARS BEGINNING AFTER
 2 2006.—In the case of any taxable year beginning
 3 after 2006, the credit allowable under subsection (a)
 4 to a taxpayer other than a corporation for any tax-
 5 able year shall not exceed 90 percent of the regular
 6 tax liability of the taxpayer for such taxable year re-
 7 duced by the sum of the credits allowable under sub-
 8 parts A, B, D, E, and F of this part.”.

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

12 **SEC. 3. ONE-TIME ESTIMATED TAX SAFE HARBOR FOR AL-**
 13 **TERNATIVE MINIMUM TAX LIABILITY.**

14 For purposes of any taxable year beginning in 2006,
 15 in the case of any individual with respect to whom there
 16 was no liability for the tax imposed under section 55 of
 17 the Internal Revenue Code of 1986 for the preceding tax-
 18 able year—

19 (1) the tax shown on the return under section
 20 6654(d)(1)(B)(i) of such Code shall be reduced (but
 21 not below zero) by the amount of tax imposed by
 22 such section 55 shown on the return,

23 (2) the tax for the taxable year under section
 24 6654(d)(2)(B)(i) of such Code (before multiplication
 25 by the applicable percentage) shall be reduced (but

1 not below zero) by the tax imposed by such section
2 55, and

3 (3) the amount of tax for the taxable year for
4 purposes of section 6654(e)(1) of such Code shall be
5 reduced (but not below zero) by the amount of tax
6 imposed by such section 55.

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