



Committee On Finance

Max Baucus, Ranking Member

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BAUCUS COMMENTS ON HOUSE AMT VOTE, CALLS TO PROTECT MORE TAXPAYERS IN FINAL FIX

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Member on the Senate Finance Committee, commented today on House of Representatives action to keep the Alternative Minimum Tax (AMT) from snaring millions more middle-income taxpayers in 2006. The current temporary “patch” or increase in AMT exemption amounts, used to keep the tax from affecting huge numbers of middle-income Americans, is set to expire on December 31. The House passed a 2006 AMT fix today but did not raise exemption amounts sufficiently to cover all Americans who have been protected to date. The Senate included provisions in its budget reconciliation tax bill last month that would keep the AMT from affecting any additional taxpayers next year.

“The House took a good first step to protect middle-income families from the AMT, but their legislation will still leave 600,000 Americans paying higher taxes in 2006,” said Baucus. **“The Senate has passed a better AMT fix that protects all of the additional 19 million citizens who would otherwise pay this tax next year. We should strive to meet the Senate’s standard on AMT now, and work together to repeal this stealth tax altogether.”**

The AMT was originally enacted in 1969 to ensure that wealthy Americans could not avoid paying taxes. However, as inflation has risen and personal income taxes have decreased, the AMT has gradually ensnared millions of middle-income Americans it was never intended to affect. Baucus is the lead sponsor of legislation to repeal the AMT; the “Individual Alternative Minimum Tax Repeal Act of 2005” (S. 1103) was co-authored by Senate Finance Committee Chairman Chuck Grassley (R-Iowa). The repeal legislation has 20 Senate cosponsors, including a bipartisan coalition of 10 Finance Committee members.

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