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**ALTERNATIVE MINIMUM TAX RELIEF BEGINS TO MOVE
IN SENATE, BUT SLOWED BY OBJECTIONS**

Finance Chairman says time is now to act on AMT "patch" for millions of Americans

Washington, DC – Finance Committee Chairman Max Baucus (D-Mont.) says legislation that would protect 19 million Americans from the alternative minimum tax (AMT) is beginning to move in the Senate, but expressed disappointment at new objection by the Senate Minority Leader that prevented swift votes on an AMT bill. The AMT was created in 1969 to keep wealthy people from avoiding taxes altogether, but has started to hit working families instead.

Recognizing that an objection would be forthcoming to another request for immediate votes on AMT relief, Senate Majority Leader Harry Reid (D-Nev.) moved to invoke cloture on a motion to proceed to H.R. 3996, the House-passed AMT bill. Baucus said on the Senate floor today that he is preparing to offer an amendment with one year of AMT relief and two years of extensions for expiring tax provisions, with the "extender" provisions fully offset. He lodged an objection on behalf of the majority to a proposal that would have introduced additional tax measures into the AMT debate. Baucus released the following statement late today:

"We are down to the wire. The time has come for the Senate to act to ensure that 19 million households do not get stuck paying the AMT.

"We've already missed one deadline. The IRS sent the 2007 tax forms to the printer on November 16. We tried to get something done before then. But the other side of the aisle would not let us proceed. Just a few short weeks from now, taxpayers will begin filling out their tax returns. We need to move now to ensure that millions of Americans receive this tax relief.

"If the votes are not there for the House bill, the Baucus-Grassley compromise will do the job. Our compromise would keep the AMT from hitting any new taxpayers for 1 more year. And our compromise would extend for 2 years a number of other popular expiring tax provisions, as well.

"The AMT affects taxpayers in all 50 states. Our compromise would keep the number of taxpayers subject to this horrible stealth tax from expanding. Without this kind of an AMT patch, 19 million more people will have an increased tax liability for the 2007 tax year. No one wants that.

"And the sooner that we address expiring provisions, the sooner that we can turn to tax reform. We all know that Congress will need to address major tax reform in 2009. We should begin working on hearings, debate, and new ideas for that effort now.

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“We must act now. We must act, because if we don’t, 19 million more Americans will pay the AMT. We must act, because if we don’t, both business and individual taxpayers won’t get the tax benefits they have come to rely on. We must act, because that’s what the American people sent us here to do.”

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