

110TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to repeal the individual alternative minimum tax.

IN THE SENATE OF THE UNITED STATES

Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. SCHUMER, Mr. KYL, and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

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

6 **SEC. 2. REPEAL OF INDIVIDUAL ALTERNATIVE MINIMUM**
7 **TAX.**

8 (a) IN GENERAL.—Section 55(a) of the Internal Rev-
9 enue Code of 1986 (relating to alternative minimum tax

1 imposed) is amended by adding at the end the following
2 new flush sentence:

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

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

11 “(c) LIMITATION.—

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

16 “(A) the regular tax liability of the tax-
17 payer for such taxable year reduced by the sum
18 of the credits allowable under subparts A, B, D,
19 E, and F of this part, over

20 “(B) the tentative minimum tax for the
21 taxable year.

22 “(2) TAXABLE YEARS BEGINNING AFTER
23 2006.—In the case of any taxable year beginning
24 after 2006, the credit allowable under subsection (a)
25 to a taxpayer other than a corporation for any tax-

1 able year shall not exceed 90 percent of the regular
2 tax liability of the taxpayer for such taxable year re-
3 duced by the sum of the credits allowable under sub-
4 parts A, B, D, E, and F of this part.”.

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