



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and Editors  
Re: AMT repeal  
Da: Wednesday, Nov. 29, 2006

In published reports this week, Rep. Charles Rangel, the New York Democratic congressman who is expected to become chairman of the Ways and Means Committee in the House of Representatives, calls for the newly Democratic-led Congress to abolish the Alternative Minimum Tax (AMT) as a top priority. Sen. Chuck Grassley, as chairman of the Committee on Finance, has led successful efforts to enact a yearly “patch” to make sure no more middle-income taxpayers fall into the AMT. In February 2005, at a revenue proposals hearing with then-Treasury John Snow, Grassley called for AMT repeal. In May 2005, he and Democratic Sens. Max Baucus and Ron Wyden, among other Democrats and Republicans, introduced a bill to repeal the individual AMT (S. 1103). Grassley made the following comment on repealing the AMT.

“We’ve kept more taxpayers out of the AMT every year for the last six years, and the AMT needs to be repealed for good. The tax has long outlived its usefulness. I hope the new Democratic leaders don’t fall into traps on AMT repeal. One is counting on the revenue that the AMT raises for more government spending. It’s ridiculous to rely on revenue that was never supposed to be collected in the first place. Another trap is raising taxes to ‘pay’ for AMT repeal. It’s unfair to raise taxes to repeal something with serious unintended consequences like the AMT. The bipartisan Senate bill introduced during this Congress shows plenty of interest in AMT repeal. Its 21 co-sponsors give momentum for the next Congress.”