

105TH CONGRESS
1ST SESSION

H. R. 701

To amend the Internal Revenue Code of 1986 to allow the deduction for personal exemptions in determining alternative minimum taxable income.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1997

Mr. BORSKI introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow the deduction for personal exemptions in determining alternative minimum taxable income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. DEDUCTION FOR PERSONAL EXEMPTIONS AL-**
2 **LOWED IN DETERMINING ALTERNATIVE MIN-**
3 **IMUM TAXABLE INCOME.**

4 (a) IN GENERAL.—Paragraph (1) of section 56(b) of
5 the Internal Revenue Code of 1986 (relating to adjust-
6 ments applicable to individuals) is amended by redesignat-
7 ing subparagraph (F) as subparagraph (H) and by strik-
8 ing subparagraph (E) and inserting the following new sub-
9 paragraphs:

10 “(E) STANDARD DEDUCTION NOT AL-
11 LOWED.—The standard deduction under section
12 63(c) shall not be allowed.

13 “(F) PERSONAL EXEMPTIONS FOR INDI-
14 VIDUALS ALLOWED.—

15 “(i) IN GENERAL.—Except as pro-
16 vided in clause (ii), the deduction under
17 section 151 shall be allowed.

18 “(ii) PHASEOUT.—In applying section
19 151 for purposes of determining alter-
20 native minimum taxable income, the
21 threshold amounts in clause (iii) shall be
22 substituted for the amounts applicable
23 under section 151(d)(3).

24 “(iii) THRESHOLD AMOUNT.—For
25 purposes of clause (ii), the term ‘threshold
26 amount’ means—

1 “(I) \$100,000 in the case of a
2 joint return or a surviving spouse (as
3 defined in section 2(a)),

4 “(II) \$83,300 in the case of a
5 head of a household (as defined in
6 section 2(b)),

7 “(III) \$66,700 in the case of an
8 individual who is not married and who
9 is not a surviving spouse or head of a
10 household, and

11 “(IV) \$50,000 in the case of a
12 married individual filing a separate
13 return.

14 For purposes of this clause, marital status
15 shall be determined under section 7703.

16 “(iv) INFLATION ADJUSTMENT OF
17 THRESHOLD AMOUNTS.—The threshold
18 amounts in clause (iii) shall be adjusted at
19 the same time and in the same manner as
20 under section 151(d)(4)(B); except that
21 the base for the adjustment of such
22 amounts shall be the CPI for calendar year
23 1996 (within the meaning of section
24 1(f)(4)).

1 “(G) PERSONAL EXEMPTION FOR TRUSTS
2 NOT ALLOWED.—The deduction under section
3 642(b) shall not be allowed.”

4 (b) EFFECTIVE DATE.—The amendment made by
5 subsection (a) shall apply to taxable years beginning after
6 December 31, 1996.

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