

108TH CONGRESS
1ST SESSION

H. R. 43

To amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax on corporations and individuals.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. COLLINS 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 repeal the alternative minimum tax on corporations and individuals.

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 “Alternative Minimum
5 Tax Repeal Act of 2003”.

6 **SEC. 2. REPEAL OF ALTERNATIVE MINIMUM TAX ON COR-**
7 **PORATIONS.**

8 (a) IN GENERAL.—Subsection (a) of section 55 of the
9 Internal Revenue Code of 1986 is amended by adding at
10 the end the following new sentence:

1 “No tax shall be imposed by this section on any corpora-
2 tion for any taxable year beginning after December 31,
3 2002, and the tentative minimum tax of any corporation
4 for any such taxable year shall be zero for purposes of
5 this title.”

6 (b) LIMITATION ON USE OF CREDIT FOR PRIOR
7 YEAR MINIMUM TAX LIABILITY.—Subsection (c) of sec-
8 tion 53 of such Code is amended to read as follows:

9 “(c) LIMITATION.—

10 “(1) IN GENERAL.—Except as otherwise pro-
11 vided in this subsection, the credit allowable under
12 subsection (a) for any taxable year shall not exceed
13 the excess (if any) of—

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

18 “(B) the tentative minimum tax for the
19 taxable year.

20 “(2) CORPORATIONS.—In the case of corpora-
21 tion for any taxable year beginning after December
22 31, 2002, the limitation under paragraph (1) shall
23 be determined—

24 “(A) without regard to the last sentence of
25 section 55(a), and

1 (A) by striking “\$45,000 (\$49,000 in the
2 case of taxable years beginning in 2001, 2002,
3 2003, and 2004)” and inserting “\$52,000”,

4 (B) by striking “\$33,750 (\$37,750 in the
5 case of taxable years beginning in 2001, 2002,
6 2003, and 2004)” and inserting “\$38,000”,
7 and

8 (C) by striking “\$22,500” and inserting
9 “½ the amount applicable under subparagraph
10 (A)”.

11 (2) ADDITIONAL INCREASES IN EXEMPTION
12 AMOUNTS; REPEAL OF PHASE-OUT OF EXEMPTION
13 AMOUNTS.—Paragraph (3) of section 55(d) of such
14 Code is amended to read as follows:

15 “(3) INCREASES IN EXEMPTION AMOUNTS FOR
16 TAXPAYERS OTHER THAN CORPORATIONS.—

17 “(A) IN GENERAL.—The exemption
18 amounts under paragraph (1) for taxable years
19 beginning in any calendar year after 2003 shall
20 be determined by increasing the dollar amounts
21 contained in subparagraphs (A) and (B) of
22 paragraph (1) by the applicable percentage for
23 such calendar year of such dollar amounts.

24 “(B) APPLICABLE PERCENTAGE.—For
25 purposes of subparagraph (A), the applicable

1 percentage shall be determined in accordance
 2 with the following table:

“For calendar year—	The applicable percentage is—
2004	10
2005	20
2006	30
2007	40
2008	50
2009	60
2010	70
2011	80
2012	90.

3 “(C) ROUNDING.—If any amount, as in-
 4 creased under subparagraph (A) is not a mul-
 5 tiple of \$5, such amount shall be increased to
 6 the nearest multiple of \$5.”

7 (c) NONREFUNDABLE PERSONAL CREDITS FULLY
 8 ALLOWED AGAINST REGULAR TAX LIABILITY.—

9 (1) IN GENERAL.—Subsection (a) of section 26
 10 of such Code (relating to limitation based on amount
 11 of tax) is amended to read as follows:

12 “(a) LIMITATION BASED ON AMOUNT OF TAX.—The
 13 aggregate amount of credits allowed by this subpart for
 14 the taxable year shall not exceed the sum of—

15 “(1) the taxpayer’s regular tax liability for the
 16 taxable year reduced by the foreign tax credit allow-
 17 able under section 27(a), and

18 “(2) the tax imposed by section 55(a) for the
 19 taxable year.”.

1 (2) CONFORMING AMENDMENT.—Section 904
2 of such Code is amended by striking subsection (h).

3 (d) LIMITATION ON USE OF CREDIT FOR PRIOR
4 YEAR MINIMUM TAX LIABILITY.—Subsection (c) of sec-
5 tion 53 of such Code, as amended by section 1, is amended
6 by adding at the end the following new paragraph:

7 “(3) INDIVIDUALS FOR TAXABLE YEARS BEGIN-
8 NING AFTER 2012.—In the case of any taxable year
9 beginning after 2012, the credit allowable under
10 subsection (a) to a taxpayer other than a corpora-
11 tion for any taxable year shall not exceed 90 percent
12 of the excess (if any) of—

13 “(A) regular tax liability of the taxpayer
14 for such taxable year, over

15 “(B) the sum of the credits allowable
16 under subparts A, B, D, E, and F of this
17 part.”.

18 (e) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2002.

○