

107TH CONGRESS
1ST SESSION

H. R. 871

To amend the Internal Revenue Code of 1986 to phaseout the alternative minimum tax on individuals.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2001

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 phaseout the alternative minimum tax on 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 2001”.

6 **SEC. 2. PHASEOUT OF ALTERNATIVE MINIMUM TAX ON IN-**
7 **DIVIDUALS.**

8 (a) REPEAL IN 2011.—Subsection (a) of section 55
9 of the Internal Revenue Code of 1986 is amended by add-
10 ing at the end the following new flush sentence:

1 “For purposes of this title, the tentative minimum tax on
2 any taxpayer other than a corporation for any taxable year
3 beginning after December 31, 2010, shall be zero.”.

4 (b) REDUCTION OF TAX ON INDIVIDUALS PRIOR TO
5 REPEAL.—

6 (1) IMMEDIATE INCREASE IN EXEMPTION
7 AMOUNTS.—Paragraph (1) of section 55(d) of such
8 Code is amended—

9 (A) by striking “\$45,000” and inserting
10 “\$52,000”,

11 (B) by striking “\$33,750” and inserting
12 “\$38,000”, and

13 (C) by striking “\$22,500” and inserting
14 “½ the amount applicable under subparagraph
15 (A)”.

16 (2) ADDITIONAL INCREASES IN EXEMPTION
17 AMOUNTS; REPEAL OF PHASE-OUT OF EXEMPTION
18 AMOUNTS.—Paragraph (3) of section 55(d) of such
19 Code is amended to read as follows:

20 “(3) INCREASES IN EXEMPTION AMOUNTS FOR
21 TAXPAYERS OTHER THAN CORPORATIONS.—

22 “(A) IN GENERAL.—The exemption
23 amounts under paragraph (1) for taxable years
24 beginning in any calendar year after 2001 shall
25 be determined by increasing the dollar amounts

1 contained in subparagraphs (A) and (B) of
 2 paragraph (1) by the applicable percentage for
 3 such calendar year of such dollar amounts.

4 “(B) APPLICABLE PERCENTAGE.—For
 5 purposes of subparagraph (A), the applicable
 6 percentage shall be determined in accordance
 7 with the following table:

“For calendar year—	The applicable percentage is—
2002	10
2003	20
2004	30
2005	40
2006	50
2007	60
2008	70
2009	80
2010	90.

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

12 (c) NONREFUNDABLE PERSONAL CREDITS FULLY
 13 ALLOWED AGAINST REGULAR TAX LIABILITY.—

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

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

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

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

6 (2) REPEAL OF REDUCTION OF REFUNDABLE
7 TAX CREDITS.—

8 (A) Subsection (d) of section 24 of such
9 Code is amended by striking paragraph (2) and
10 redesignating paragraph (3) as paragraph (2).

11 (B) Section 32 of such Code is amended by
12 striking subsection (h).

13 (3) CONFORMING AMENDMENT.—Section 904
14 of such Code is amended by striking subsection (h).

15 (d) LIMITATION ON USE OF CREDIT FOR PRIOR
16 YEAR MINIMUM TAX LIABILITY.—Subsection (c) of sec-
17 tion 53 of such Code is amended to read as follows:

18 “(c) LIMITATION.—

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

23 “(A) the regular tax liability of the tax-
24 payer for such taxable year reduced by the sum

1 of the credits allowable under subparts A, B, D,
2 E, and F of this part, over

3 “(B) the tentative minimum tax for the
4 taxable year.

5 “(2) TAXABLE YEARS BEGINNING AFTER
6 2010.—In the case of any taxable year beginning
7 after 2010, the credit allowable under subsection (a)
8 to a taxpayer other than a corporation for any tax-
9 able year shall not exceed 90 percent of the excess
10 (if any) of—

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

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

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2000.

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