

110TH CONGRESS
2D SESSION

H. R. 7005

AN ACT

To amend the Internal Revenue Code of 1986 to provide
alternative minimum tax relief for individuals for 2008.

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. SHORT TITLE, ETC.**

2 (a) IN GENERAL.—This Act may be cited as the “Al-
3 ternative Minimum Tax Relief Act of 2008”.

4 (b) REFERENCE.—Except as otherwise expressly pro-
5 vided, whenever in this Act an amendment or repeal is
6 expressed in terms of an amendment to, or repeal of, a
7 section or other provision, the reference shall be consid-
8 ered to be made to a section or other provision of the In-
9 ternal Revenue Code of 1986.

10 **SEC. 2. EXTENSION OF ALTERNATIVE MINIMUM TAX RE-**
11 **LIEF FOR NONREFUNDABLE PERSONAL**
12 **CREDITS.**

13 (a) IN GENERAL.—Paragraph (2) of section 26(a) is
14 amended—

15 (1) by striking “or 2007” and inserting “2007,
16 or 2008”, and

17 (2) by striking “2007” in the heading thereof
18 and inserting “2008”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2007.

22 **SEC. 3. EXTENSION OF INCREASED ALTERNATIVE MIN-**
23 **IMUM TAX EXEMPTION AMOUNT.**

24 (a) IN GENERAL.—Paragraph (1) of section 55(d) is
25 amended—

1 (1) by striking “(\$66,250 in the case of taxable
 2 years beginning in 2007)” in subparagraph (A) and
 3 inserting “(\$69,950 in the case of taxable years be-
 4 ginning in 2008)”, and

5 (2) by striking “(\$44,350 in the case of taxable
 6 years beginning in 2007)” in subparagraph (B) and
 7 inserting “(\$46,200 in the case of taxable years be-
 8 ginning in 2008)”.

9 (b) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to taxable years beginning after
 11 December 31, 2007.

12 **SEC. 4. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT**
 13 **FOR INDIVIDUALS WITH LONG-TERM UNUSED**
 14 **CREDITS FOR PRIOR YEAR MINIMUM TAX LI-**
 15 **ABILITY, ETC.**

16 (a) IN GENERAL.—Paragraph (2) of section 53(e) is
 17 amended to read as follows:

18 “(2) AMT REFUNDABLE CREDIT AMOUNT.—
 19 For purposes of paragraph (1), the term ‘AMT re-
 20 fundable credit amount’ means, with respect to any
 21 taxable year, the amount (not in excess of the long-
 22 term unused minimum tax credit for such taxable
 23 year) equal to the greater of—

24 “(A) 50 percent of the long-term unused
 25 minimum tax credit for such taxable year, or

1 “(B) the amount (if any) of the AMT re-
 2 fundable credit amount for the taxpayer’s pre-
 3 ceding taxable year (determined without regard
 4 to subsection (f)(2)).”.

5 (b) TREATMENT OF CERTAIN UNDERPAYMENTS, IN-
 6 TEREST, AND PENALTIES ATTRIBUTABLE TO THE TREAT-
 7 MENT OF INCENTIVE STOCK OPTIONS.—Section 53 is
 8 amended by adding at the end the following new sub-
 9 section:

10 “(f) TREATMENT OF CERTAIN UNDERPAYMENTS, IN-
 11 TEREST, AND PENALTIES ATTRIBUTABLE TO THE TREAT-
 12 MENT OF INCENTIVE STOCK OPTIONS.—

13 “(1) ABATEMENT.—Any underpayment of tax
 14 outstanding on the date of the enactment of this
 15 subsection which is attributable to the application of
 16 section 56(b)(3) for any taxable year ending before
 17 January 1, 2008 (and any interest or penalty with
 18 respect to such underpayment which is outstanding
 19 on such date of enactment), is hereby abated. The
 20 amount determined under subsection (b)(1) shall not
 21 include any tax abated under the preceding sentence.

22 “(2) INCREASE IN CREDIT FOR CERTAIN INTER-
 23 EST AND PENALTIES ALREADY PAID.—The AMT re-
 24 fundable credit amount, and the minimum tax credit
 25 determined under subsection (b), for the taxpayer’s

1 first 2 taxable years beginning after December 31,
2 2007, shall each be increased by 50 percent of the
3 aggregate amount of the interest and penalties
4 which were paid by the taxpayer before the date of
5 the enactment of this subsection and which would
6 (but for such payment) have been abated under
7 paragraph (1).”.

8 (c) EFFECTIVE DATE.—

9 (1) IN GENERAL.—Except as provided in para-
10 graph (2), the amendment made by this section shall
11 apply to taxable years beginning after December 31,
12 2007.

13 (2) ABATEMENT.—Section 53(f)(1) of the In-
14 ternal Revenue Code of 1986, as added by sub-
15 section (b), shall take effect on the date of the en-
16 actment of this Act.

Passed the House of Representatives September 24,
2008.

Attest:

Clerk.

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