

Calendar No. 1128

110TH CONGRESS
2D SESSION**H. R. 7005**

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 17), 2008

Received

DECEMBER 8 (legislative day, NOVEMBER 20), 2008

Read the first time

DECEMBER 9, 2008

Read the second time and placed on the calendar

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,*

3 **SECTION 1. SHORT TITLE, ETC.**

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

6 (b) REFERENCE.—Except as otherwise expressly pro-
7 vided, whenever in this Act an amendment or repeal is
8 expressed in terms of an amendment to, or repeal of, a

1 section or other provision, the reference shall be consid-
2 ered to be made to a section or other provision of the In-
3 ternal Revenue Code of 1986.

4 **SEC. 2. EXTENSION OF ALTERNATIVE MINIMUM TAX RE-**
5 **LIEF FOR NONREFUNDABLE PERSONAL**
6 **CREDITS.**

7 (a) IN GENERAL.—Paragraph (2) of section 26(a) is
8 amended—

9 (1) by striking “or 2007” and inserting “2007,
10 or 2008”, and

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

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

16 **SEC. 3. EXTENSION OF INCREASED ALTERNATIVE MIN-**
17 **IMUM TAX EXEMPTION AMOUNT.**

18 (a) IN GENERAL.—Paragraph (1) of section 55(d) is
19 amended—

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

24 (2) by striking “(\$44,350 in the case of taxable
25 years beginning in 2007)” in subparagraph (B) and

1 inserting “(\$46,200 in the case of taxable years be-
2 ginning in 2008)”.

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

6 **SEC. 4. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT**
7 **FOR INDIVIDUALS WITH LONG-TERM UNUSED**
8 **CREDITS FOR PRIOR YEAR MINIMUM TAX LI-**
9 **ABILITY, ETC.**

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

12 “(2) AMT REFUNDABLE CREDIT AMOUNT.—
13 For purposes of paragraph (1), the term ‘AMT re-
14 fundable credit amount’ means, with respect to any
15 taxable year, the amount (not in excess of the long-
16 term unused minimum tax credit for such taxable
17 year) equal to the greater of—

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

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

24 (b) TREATMENT OF CERTAIN UNDERPAYMENTS, IN-
25 TEREST, AND PENALTIES ATTRIBUTABLE TO THE TREAT-

1 MENT OF INCENTIVE STOCK OPTIONS.—Section 53 is
2 amended by adding at the end the following new sub-
3 section:

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

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

16 “(2) INCREASE IN CREDIT FOR CERTAIN INTER-
17 EST AND PENALTIES ALREADY PAID.—The AMT re-
18 fundable credit amount, and the minimum tax credit
19 determined under subsection (b), for the taxpayer’s
20 first 2 taxable years beginning after December 31,
21 2007, shall each be increased by 50 percent of the
22 aggregate amount of the interest and penalties
23 which were paid by the taxpayer before the date of
24 the enactment of this subsection and which would

1 (but for such payment) have been abated under
2 paragraph (1).”.

3 (c) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), the amendment made by this section shall
6 apply to taxable years beginning after December 31,
7 2007.

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

Passed the House of Representatives September 24,
2008.

Attest: LORRAINE C. MILLER,
Clerk.

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