AN ACT

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

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

SECTION 1. SHORT TITLE, ETC.

(a) In General.—This Act may be cited as the “Al-
ternative Minimum Tax Relief Act of 2008”.

(b) Reference.—Except as otherwise expressly pro-
vided, whenever in this Act an amendment or repeal is
expressed in terms of an amendment to, or repeal of, a
section or other provision, the reference shall be consid-
ered to be made to a section or other provision of the In-

SEC. 2. EXTENSION OF ALTERNATIVE MINIMUM TAX RE-
LIEF FOR NONREFUNDABLE PERSONAL
CREDITS.

(a) In General.—Paragraph (2) of section 26(a) is
amended—

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

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

(b) Effective Date.—The amendments made by
this section shall apply to taxable years beginning after

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

(a) In General.—Paragraph (1) of section 55(d) is
amended—

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

(2) by striking “($44,350 in the case of taxable
years beginning in 2007)” in subparagraph (B) and
inserting “($46,200 in the case of taxable years beginning in 2008)”.

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

SEC. 4. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS FOR PRIOR YEAR MINIMUM TAX LIABILITY, ETC.

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

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

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

“(B) the amount (if any) of the AMT refundable credit amount for the taxpayer’s preceding taxable year (determined without regard to subsection (f)(2)).”.

(b) TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREAT-
ment of Incentive Stock Options.—Section 53 is amended by adding at the end the following new sub-
section:

“(f) Treatment of Certain Underpayments, Interest, and Penalties Attributable to the Treatment
of Incentive Stock Options.—

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

“(2) Increase in Credit for Certain Interest and Penalties Already Paid.—The AMT re-
fundable credit amount, and the minimum tax credit determined under subsection (b), for the taxpayer’s
first 2 taxable years beginning after December 31, 2007, shall each be increased by 50 percent of the
aggregate amount of the interest and penalties which were paid by the taxpayer before the date of
the enactment of this subsection and which would
(but for such payment) have been abated under paragraph (1).”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to taxable years beginning after December 31, 2007.

(2) ABATEMENT.—Section 53(f)(1) of the Internal Revenue Code of 1986, as added by subsection (b), shall take effect on the date of the enactment of this Act.

Passed the House of Representatives September 24, 2008.

Attest: LORRAINE C. MILLER,

Clerk.
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