

United States Congress

For Immediate Release

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TAX WRITERS NOTIFY IRS OF UPCOMING AMT FIX

Finance, Ways and Means leaders intend to prevent tax from affecting more Americans, urge IRS to begin planning now for accurate tax forms

Washington, DC – Leaders of the congressional tax writing committees notified the Internal Revenue Service (IRS) today of imminent changes to the alternative minimum tax, and encouraged the agency to plan now to produce accurate tax forms for the 2007 filing season. Senate Finance Committee Chairman Max Baucus (D-Mont.), House Ways and Means Chairman Charles Rangel (D-N.Y.), Finance Ranking Republican Chuck Grassley (R-Iowa), and Ways and Means Ranking Republican Member Jim McCrery (R-La.) sent a letter to Acting IRS Commissioner Linda Stiff, indicating their intention to complete legislation preventing the AMT from affecting any additional American taxpayers for 2007. The AMT was originally meant to ensure that wealthy Americans paid some income tax, but without indexing for inflation it has begun to affect middle-income American taxpayers.

The text of the Tuesday letter follows here.

October 30, 2007

Ms. Linda E. Stiff
Acting Commissioner
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Dear Acting Commissioner Stiff:

Under present law, more than 23 million taxpayers will be subject to higher taxes in 2007 unless legislation is enacted to limit the reach of the Alternative Minimum Tax (AMT). We realize that this fact is causing concern for many taxpayers and is creating administrative difficulties for the IRS as the agency prepares for the upcoming filing season.

As the leaders of the Congressional tax-writing committees, we want to assure you that legislative relief is forthcoming so that no new taxpayers will be subject to the AMT for taxable year 2007. To accomplish this, we are committed to extending and indexing the 2006 AMT patch with the goal of ensuring that not one additional taxpayer faces higher taxes in 2007 due to the onerous AMT. In addition to allowing the personal credits against the AMT, the exemption amount for 2007 will be set at \$44,350 for individuals and \$66,250 for married taxpayers filing jointly.

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We plan to do everything possible to enact AMT relief legislation in a form mutually agreeable to the Congress and the President before the end of the year. We urge the Internal Revenue Service to take all steps necessary to plan for changes that would be made by the legislation.

Thank you for your immediate attention to this matter.

Sincerely yours,

Max Baucus
Chairman
Committee on Finance

Charles B. Rangel
Chairman
Committee on Ways and Means

Charles E. Grassley
Ranking Member
Committee on Finance

Jim McCrery
Ranking Member
Committee on Ways and Means

cc: Treasury Secretary Hank Paulson

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