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Grassley Introduces AMT Penalty Relief Bill

WASHINGTON – Sen. Chuck Grassley, ranking member of the Committee on Finance, has introduced the *AMT Penalty Reduction Act of 2007*, as announced at a recent hearing. His statement of introduction follows.

Statement of Introduction on the *AMT Penalty Reduction Act of 2007*, S. 1855
Monday, July 23, 2007

Mr. President, right now millions of Americans don't know whether they should be paying an estimated tax because Congress hasn't passed Alternative Minimum Tax relief. In other words, there are many taxpayers who will be facing a big tax bill if we don't pass AMT relief. By law, many of these taxpayers should be paying estimated tax right now based on the fact that as the law is today, they are subject to the AMT. In order to aid these taxpayers, I am introducing the *AMT Penalty Protection Act of 2007*.

Under this legislation, in computing tax for purposes of the penalties in the tax code dealing with estimated tax, a taxpayer would be permitted to disregard the alternative minimum tax if the individual was not liable for the alternative minimum tax for the preceding tax year.

So if you didn't have to pay AMT last year we aren't going to penalize you if you don't file estimated taxes for AMT this year. Just because Congress can't do its job, doesn't mean the taxpayer should be punished. I ask unanimous consent that the text of the bill be printed in the record.