

110TH CONGRESS
1ST SESSION

S. 1855

To amend the Internal Revenue Code of 1986 to provide relief to individuals from the penalty for failure to pay estimated taxes on amounts attributable to the alternative minimum tax in cases where the taxpayer was not subject to the alternative minimum tax in the preceding taxable year.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2007

Mr. GRASSLEY (for himself, Mrs. HUTCHISON, Mr. BINGAMAN, Mr. ALLARD, and Mr. BROWNBACK) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide relief to individuals from the penalty for failure to pay estimated taxes on amounts attributable to the alternative minimum tax in cases where the taxpayer was not subject to the alternative minimum tax in the preceding taxable year.

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.**

4 This Act may be cited as the “AMT Penalty Protec-
5 tion Act of 2007”.

1 **SEC. 2. ESTIMATED TAX SAFE HARBOR FOR ALTERNATIVE**
 2 **MINIMUM TAX LIABILITY.**

3 (a) **IN GENERAL.**—Section 6654 of the Internal Rev-
 4 enue Code of 1986 (relating to failure by individual to pay
 5 estimated income tax) is amended by redesignating sub-
 6 section (m) as subsection (n) and by inserting after sub-
 7 section (l) the following new subsection:

8 “(m) **SAFE HARBOR FOR CERTAIN ALTERNATIVE**
 9 **MINIMUM TAX PAYERS.**—In the case of any individual
 10 with respect to whom there was no liability for the tax
 11 imposed under section 55 for the preceding taxable year—

12 “(1) any required payment calculated under
 13 subsection (d)(1)(B)(i) shall be determined without
 14 regard to any tax imposed under section 55,

15 “(2) any annualized income installment cal-
 16 culated under subsection (d)(2)(B) shall be deter-
 17 mined without regard to alternative minimum tax-
 18 able income, and

19 “(3) the determination of the amount of the tax
 20 for the taxable year for purposes of subsection (e)(1)
 21 shall not include the amount of any tax imposed
 22 under section 55.”.

23 (b) **EFFECTIVE DATE.**—The amendment made by
 24 this section shall apply to taxable years ending after the
 25 date of the enactment of this Act.