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CHAIRMAN JIM SAXTON

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ALTERNATIVE MINIMUM TAX BURDENS MORE AND MORE AMERICANS -- New Study Explores Options For Reform --

WASHINGTON, D.C. – The Alternative Minimum Tax (AMT) for individuals is subjecting more and more Americans to complex tax rules and higher income taxes than they would otherwise pay, according to a report released today by Chairman Jim Saxton of the Joint Economic Committee (JEC). The report, *The Alternative Minimum Tax for Individuals: A Growing Burden*, is available from the JEC and on the Committee's website.

"Under current law, the estimated number of taxpayers affected by the Alternative Minimum Tax will increase from at least 1.5 million this year to at least 17 million in 2010," Saxton said. "The AMT is a parallel system of income taxation that makes the tax code more complex than it should be. It imposes higher taxes and high costs of compliance on an increasing number of middle-class taxpayers."

"We ought to have a real debate about whether we should junk the AMT. We must stop punishing people with this unfair, burdensome tax," said U.S. Representative Phil English.

"The AMT was established in 1978 in an attempt to prevent a few high-income taxpayers from avoiding federal income tax," Saxton said. However, the AMT has not achieved its goal. A small number of high-income taxpayers (about one in every ten thousand) still pay no income tax, about the same as before the AMT was introduced. Because the AMT is not indexed for inflation, it now affects some taxpayers with incomes starting at \$33,750.

"The experience of the AMT suggests that making the tax code highly complex doesn't serve the interest of either efficiency or fairness," Saxton concluded.

The report explores a range of options for dealing with the AMT, from indexing it for inflation to repealing it.

For more research on tax issues, please visit our website at www.house.gov/jec.

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