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KPMG report: Interplay of potential enactment of extenders with CAMT

H.R. 5376, commonly called the “Inflation Reduction Act of 2022” (IRA), added a new corporate alternative minimum tax (CAMT)—a minimum tax based on financial statement income that is imposed on applicable corporations.

The U.S. House of Representatives on January 31, 2024, passed H.R. 7024, the “Tax Relief for American Families and Workers Act of 2024,” which would extend certain provisions under the “Tax Cuts and Jobs Act” (TCJA)— section 163(j) (business interest expense limitation), section 168(k) (bonus depreciation), and section 174 (amortization of specified research and experimental expenditures). It remains uncertain whether H.R. 7024 will be passed by Congress. However, enactment of those extenders could affect a taxpayer’s CAMT liability for 2023 and beyond.

In addition, the Biden administration has proposed increasing the regular corporate tax rate to 28% and the CAMT rate to 21%. While the legislation would be prospective if enacted, a taxpayer’s elections regarding the retroactive tax extenders could be even more impactful.

Read an [April 2024 report](#)* prepared by KPMG LLP tax professionals that explains the effects of H.R. 7024 on CAMT. This report is the fourth in a series examining CAMT. Read [TaxNewsFlash](#)

* This article originally appeared in *Tax Notes Federal* (April 22, 2024) and is provided with permission.

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