



AMERICANS
for TAX REFORM

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President

ATR MAY RATE SPECTER AMENDMENT TO SENATE BUDGET RESOLUTION TO KILL THE “CLINTON AMT”

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This week, the U.S. Senate will be voting on the FY 2009 budget resolution. Senator Arlen Specter (R-PA) will be offering an amendment that would put the Senate on record as supporting a rollback of the “Clinton AMT.”

The alternative minimum tax (AMT) was created in the late 1960s to ensure that fewer than 200 high-income taxpayers couldn’t avoid paying any income tax at all. Over the years, Congress expanded the AMT and failed to index it to inflation. As a result, the AMT is poised to engulf nearly 30 million taxpayers in 2008.

ATR supports killing the AMT. As a halfway point to that goal, we also support killing the Clinton AMT. As part of the largest tax increase in American history, President Bill Clinton increased the AMT rate from 24% to the current 28%. He also failed to index the AMT “standard deduction” to inflation. Independent studies have shown that simply bringing the AMT rate down to the pre-Clinton 24% and indexing the AMT standard deduction to inflation from 1993 onward would solve fully 40 percent of the AMT crisis. That’s 12 million families that wouldn’t have to worry about paying a tax originally intended for “the rich.”

ATR reserves the right to rate votes on the budget resolution itself, as well as any amendments which affect taxpayers.

ATR MAY RATE A VOTE ON THE SPECTER AMENDMENT— KILL THE CLINTON AMT

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