

Congress of the United States

Washington, DC 20515

December 3, 2025

The Honorable Scott Bessent
Treasury Secretary and Acting IRS Commissioner
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Kenneth Kies
Assistant Secretary for Tax Policy
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Bessent and Assistant Secretary Kies:

We write regarding reports that billionaire corporations are lobbying the Department of the Treasury (Treasury) to drastically weaken the corporate alternative minimum tax (CAMT) by calculating corporate income in a way that subtracts retroactive research and experimentation (R&E) expenditures.¹ CAMT, created by Congress in 2022, requires all corporations with over \$1 billion in profits to pay a tax rate that is no lower than 15% of their adjusted financial statement income (AFSI), a modified measure of book income.² Yet, corporate lobbyists are shamelessly trying to create yet another loophole and undermine this law so that profitable billionaire corporations pay little to no taxes.

The Trump Administration has consistently chipped away at CAMT to further corporate interests.³ First, in June 2025, the Internal Revenue Service (IRS) issued a notice raising the AFSI “safe harbor” threshold that determines when a corporation is automatically exempt from CAMT,⁴ likely allowing some companies who are statutorily liable for CAMT to avoid paying the tax entirely.⁵ Next, Trump’s Big Beautiful Bill effectively exempted many oil and gas companies from paying the tax by allowing them to immediately subtract intangible drilling

¹ PoliticoPro, “A Biden-era tax haunts the GOP’s megabill,” Brian Faler, September 11, 2025, <https://subscriber.politicopro.com/article/2025/09/a-biden-era-tax-is-haunting-the-gops-megabill-00556060>; PoliticoPro Morning Tax, “What will the IRS do next in a shutdown?,” Tony Eckert, Bernie Becker, and Brian Faler, October 8, 2025, <https://subscriber.politicopro.com/newsletter/2025/10/what-will-the-irs-do-next-in-a-shutdown-00597558>; The Wall Street Journal, “Trump’s Tax Cuts Are Exposing Companies to Biden’s Tax Hike,” Richard Rubin, November 8, 2025, <https://www.wsj.com/politics/policy/trump-biden-tax-laws-corporate-bace4fe8?st=nJRKHA&>.

² Brookings, “The corporate AMT: Understanding low tax liabilities as a policy choice,” Elena Patel, November 13, 2024, <https://www.brookings.edu/articles/the-corporate-amt-understanding-low-tax-liabilities-as-a-policy-choice/>; Internal Revenue Service, “Corporate alternative minimum tax,” October, 24, 2025, <https://www.irs.gov/inflation-reduction-act-of-2022/corporate-alternative-minimum-tax>.

³ New York Times, “How the Trump Administration Is Giving Even More Tax Breaks to the Wealthy,” Jesse Drucker, November 8, 2025, <https://www.nytimes.com/2025/11/08/business/trump-administration-tax-breaks-wealthy.html>.

⁴ Department of the Treasury, “Interim Simplified Method for Determining Applicable Corporation Status; Waiver of Certain Additions to Tax under Section 6655,” June 2, 2025, <https://www.irs.gov/pub/irs-drop/n-25-27.pdf>.

⁵ Letter from Senator Elizabeth Warren et al. to Treasury Secretary Bessent, September 8, 2025, <https://www.warren.senate.gov/newsroom/press-releases/warren-king-lawmakers-slam-treasury-for-creating-loopholes-in-corporate-alternative-minimum-tax>.

costs from AFSI.⁶ Then, in September 2025, the IRS issued guidance further changing how corporations' AFSI is calculated, allowing them to pay significantly less taxes under CAMT.⁷ Rule changes in the September guidance included exemptions for several industries that spend millions of dollars on lobbying per year, including insurance, shipping companies, and utilities.⁸ The September guidance also allowed companies to subtract certain pre-2020 net operating losses from AFSI, handing out windfalls as high as hundreds of millions of dollars to some billionaire corporations.⁹ Finally, after an extensive lobbying campaign from the cryptocurrency industry,¹⁰ the September guidance allows unrealized cryptocurrency gains to go untaxed under CAMT, further putting a thumb on the scale in favor of corporate interests.¹¹ Concerningly, tax experts have suggested that these loopholes, combined with other recent policy changes at Treasury that favor the ultra-wealthy, may reduce tax revenue by hundreds of billions of dollars.¹²

But these massive giveaways apparently aren't enough for billionaire corporations and their lobbyists, which are trying to further undermine CAMT by demanding a carveout for the disastrous retroactive R&E expensing tax break enacted by the Big Beautiful Bill.¹³ Retroactive R&E expensing is already an indefensible policy because it is essentially a tax break for research

⁶ The Equation, "President Trump's Handouts to Fossil Fuel Industry Will Cost Public \$80 Billion Over Next Decade," Laura Peterson, July 24, 2025, <https://blog.ucs.org/laura-peterson/trumps-handouts-to-fossil-fuel-industry-will-cost-public-80-billion-over-next-decade/>; Bipartisan Policy Center, "2025 Reconciliation Debate: One Big Beautiful Bill Act Energy Provisions," Xan Fishman, Zahava Urecki, Jack McGee, and Daniel Elizalde, July 28, 2025, <https://bipartisanpolicy.org/explainer/2025-reconciliation-debate-one-big-beautiful-bill-act-energy-provisions/>.

⁷ KPMG, "Additional CAMT interim guidance and favorable early reliance rules," <https://kpmg.com/kpmg-us/content/dam/kpmg/taxnewsflash/pdf/2025/10/kpmg-report-camt-guidance-notice-2025-46-and-49.pdf>.

⁸ *Id.*; OpenSecrets, "Industry Profile: Sea Transport," <https://www.opensecrets.org/federal-lobbying/industries/summary?id=M05>; OpenSecrets, "Industry Profile: Insurance," <https://www.opensecrets.org/federal-lobbying/industries/summary?id=F09>; OpenSecrets, "Industry Profile: Electric Utilities," <https://www.opensecrets.org/federal-lobbying/industries/summary?id=E08>.

⁹ KPMG, "Additional CAMT interim guidance and favorable early reliance rules," <https://kpmg.com/kpmg-us/content/dam/kpmg/taxnewsflash/pdf/2025/10/kpmg-report-camt-guidance-notice-2025-46-and-49.pdf>; Cheniere Energy, Inc., "QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934," <https://lngir.cheniere.com/sec-filings/all-sec-filings/content/0000003570-25-000107/lng-20250930.htm>.

¹⁰ New York Times, "How the Trump Administration Is Giving Even More Tax Breaks to the Wealthy," Jesse Drucker, November 8, 2025, <https://www.nytimes.com/2025/11/08/business/trump-administration-tax-breaks-wealthy.html>.

¹¹ Yahoo Finance, "Treasury to Exempt Bitcoin from 15% CAMT Tax on Unrealized Gains, Saving Strategy Billions," Anas Hassan, October 1, 2025, <https://finance.yahoo.com/news/treasury-exempt-bitcoin-15-camt-145819088.html>.

¹² New York Times, "How the Trump Administration Is Giving Even More Tax Breaks to the Wealthy," Jesse Drucker, November 8, 2025, <https://www.nytimes.com/2025/11/08/business/trump-administration-tax-breaks-wealthy.html>.

¹³ PoliticoPro, "A Biden-era tax haunts the GOP's megabill," Brian Faler, September 11, 2025, <https://subscriber.politicopro.com/article/2025/09/a-biden-era-tax-is-haunting-the-gops-megabill-00556060>; PoliticoPro Morning Tax, "What will the IRS do next in a shutdown?," Tony Eckert, Bernie Becker, and Brian Faler, October 8, 2025, <https://subscriber.politicopro.com/newsletter/2025/10/what-will-the-irs-do-next-in-a-shutdown-00597558>; The Wall Street Journal, "Trump's Tax Cuts Are Exposing Companies to Biden's Tax Hike," Richard Rubin, November 8, 2025, <https://www.wsj.com/politics/policy/trump-biden-tax-laws-corporate-bace4fe8?st=nJRKHA&>.

that has already happened—and therefore a giveaway that cannot incentivize economic activity.¹⁴ Under current estimates, this policy will allow companies to accelerate \$67 billion in tax deductions just in 2026,¹⁵ and Amazon, alone, could choose to accelerate an estimated \$22.7 billion in deductions in 2025.¹⁶ Without CAMT, these accelerated deductions would drop the tax liability of some billionaire corporations far below 15%¹⁷ — making CAMT the only guardrail stopping them from paying little to no taxes. As a result, these megacorporations’ lobbyists are now pressuring Treasury to subtract retroactive R&E expenditures when calculating AFSI.¹⁸

This policy would clearly undermine the purpose of CAMT: to ensure that no billionaire corporation pays a lower tax rate than 15% on the income it reports to shareholders, known as book income. In the years leading up to the creation of CAMT, corporations were exclusively taxed according to their taxable income, which was often far lower than book income due to the broad use of tax deductions.¹⁹ Accordingly, even highly profitable billionaire corporations often paid little or no taxes before CAMT was enacted.²⁰ Creating a giant new tax loophole by allowing retroactive R&E expensing to be subtracted from AFSI, which was designed to be a measure of book income, egregiously circumvents Congress’s intent to set a floor on corporations’ tax liabilities regardless of deductions. Even the conservative American Enterprise Institute opposes the creation of such a loophole, stating that “it would be contrary to Congressional intent and would have no economic benefit” and that it would “not encourage additional investment in R&D [research & development].”²¹ In sum, as they put it, “Treasury should not . . . enact an unlegislated tax cut,” and “Treasury should not provide relief here.”²²

Thus, we urge Treasury not to further rig the tax code in favor of billionaire corporations by creating a CAMT carveout for retroactive R&E expensing. Given our concerns regarding the possibility that Treasury will further weaken CAMT, we request that you answer the following questions by December 17:

- 1) Will Treasury commit not to create a retroactive R&E expensing carveout in CAMT? If not, why not?

¹⁴ Letter from Senator Elizabeth Warren to Joint Committee on Taxation, June 27, 2025, <https://www.warren.senate.gov/newsroom/press-releases/warren-asks-congressional-tax-committee-to-investigate-true-size-of-retroactive-tax-breaks-for-billionaire-corporations>.

¹⁵ Letter from JCT to Senator Elizabeth Warren, August 6, 2025, <https://www.warren.senate.gov/newsroom/press-releases/warren-publishes-new-joint-tax-committee-analysis-big-beautiful-bill-to-deliver-67-billion-in-retroactive-tax-breaks-to-companies-next-year>.

¹⁶ Institute for Taxation and Economic Policy, “The Five Biggest Corporations Represented at Trump’s Inauguration Could Save \$75 Billion from One Tax Break Before Congress,” Matthew Gardner and Spandan Marasini, February 11, 2025, <https://itep.org/alphabet-amazon-apple-meta-tesla-corporate-tax-cuts-trump-tax-law/>.

¹⁷ PoliticoPro, “A Biden-era tax haunts the GOP’s megabill,” Brian Faler, September 11, 2025, <https://subscriber.politicopro.com/article/2025/09/a-biden-era-tax-is-haunting-the-gops-megabill-00556060>.

¹⁸ *Id.*

¹⁹ Brookings, “The corporate AMT: Understanding low tax liabilities as a policy choice,” Elena Patel, November 13, 2024, <https://www.brookings.edu/articles/the-corporate-amt-understanding-low-tax-liabilities-as-a-policy-choice/>.

²⁰ Institute on Taxation and Economic Policy, “Corporate Tax Avoidance Under the Tax Cuts and Jobs Act,” Matthew Gardner and Steve Wamhoff, July 29, 2021, <https://itep.org/corporate-tax-avoidance-under-the-tax-cuts-and-jobs-act/>.

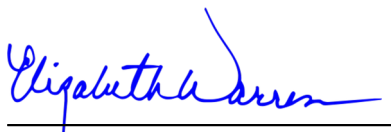
²¹ American Enterprise Institute, “The R&D-CAMT Interaction Isn’t a Glitch to Fix,” Kyle Pomerleau, October 29, 2025, <https://www.aei.org/economics/the-rd-camt-interaction-isnt-a-glitch-to-fix/>.

²² *Id.*

- 2) Please list all regulatory changes that Treasury is considering regarding the interaction between CAMT and retroactive R&E expensing.
- 3) Does Treasury plan to issue additional guidance in the next year that would modify how AFSI is calculated?
- 4) Please list all trade associations and corporations that have lobbied Treasury to create a retroactive R&E expensing carveout in CAMT, including a list of all meetings that these individuals had with IRS or Treasury officials responsible for CAMT rules and guidance.
- 5) In Treasury's view, what is the purpose of CAMT, and how do numerous recent AFSI adjustments included in Treasury guidance carry out that purpose?
- 6) How much would the national debt increase if Treasury allowed retroactive R&E expenditures to be subtracted from AFSI?
- 7) How many corporations would see a lower tax liability if Treasury allowed retroactive R&E expenditures to be subtracted from AFSI?
- 8) If Treasury is considering making regulatory changes or changes to agency guidance regarding the treatment of retroactive R&E expensing under CAMT, will those changes go through notice and comment? If not, how is Treasury obtaining input on this matter in accordance with the *Administrative Procedure Act*, and from which stakeholders?

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Donald S. Beyer Jr.
Member of Congress



Chris Van Hollen
United States Senator



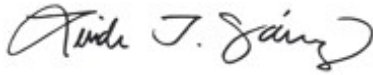
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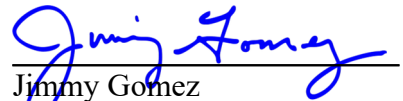
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