SEC. _____ CORPORATE ALTERNATIVE MINIMUM TAX.

(a) Imposition of Tax.—

(1) IN GENERAL.—Paragraph (2) of section 55(b) is amended to read as follows:

“(2) CORPORATIONS.—

“(A) APPLICABLE CORPORATIONS.—In the case of an applicable corporation, the tentative minimum tax for the taxable year shall be the excess of—

“(i) 15 percent of the adjusted financial statement income for the taxable year (as determined under section 56A), over

“(ii) the corporate AMT foreign tax credit for the taxable year.

“(B) OTHER CORPORATIONS.—In the case of any corporation which is not an applicable corporation, the tentative minimum tax for the taxable year shall be zero.”.

(2) APPLICABLE CORPORATION.—Section 59 is amended by adding at the end the following new subsection:

“(k) APPLICABLE CORPORATION.—For purposes of this part—

“(1) APPLICABLE CORPORATION DEFINED.—
“(A) IN GENERAL.—The term ‘applicable corporation’ means any corporation (other than an S corporation, a regulated investment company, or a real estate investment trust) which, for any applicable 3-taxable year period—

“(i) has the average annual adjusted financial statement income which is greater than $1,000,000,000, and

“(ii) in the case of a corporation described in paragraph (2), has an average annual adjusted financial statement income (determined without regard to the application of paragraph (2)) which is $100,000,000 or more.

“(B) APPLICABLE 3-TAXABLE YEAR PERIOD.—For purposes of this paragraph, the term ‘applicable 3-taxable-year period’ means, with respect to any corporation for any taxable year, any 3 consecutive taxable years of such corporation occurring during the period ending with the taxable year which precedes such taxable year. For purposes of the preceding sentence, only taxable years beginning after December 31, 2019, shall be taken into account.
“(C) EXCEPTION.—Notwithstanding subparagraph (A), the term ‘applicable corporation’ shall not include any corporation which otherwise meets the requirements of subparagraph (A) if—

“(i) such corporation—

“(I) has a change in ownership,

or

“(II) has a consistent reduction in adjusted financial statement income below the dollar amounts applicable to such corporation under subparagraph (A), and

“(ii) the Secretary determines that it would not be appropriate to continue to treat such corporation as an applicable corporation.

The preceding sentence shall not apply to any corporation if, after the Secretary makes the determination described in clause (ii), such corporation meets the requirements of subparagraph (A) for any applicable 3-taxable year period beginning after the first taxable year for which the determination applies.
“(D) Special rules for determining average annual adjusted financial statement income.—Solely for purposes of determining the average annual adjusted financial statement income of a corporation for any period—

“(i) all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person, except that in applying section 1563 for purposes of section 52, the exceptions under subparagraphs (C) and (D) of section 1563(b)(2) shall be disregarded,

“(ii) in the case of a foreign corporation, only income described in section 56A(e)(3) and income that is, or is treated as, effectively connected with the conduct of a trade or business in the United States) shall be taken into account.

“(E) Other special rules.—

“(i) Corporations in existence for less than 3 years.—If the corporation was in existence for less than 3-taxable years, subparagraph (B) shall be applied by substituting the number of taxable
years for which the corporation was in existence for ‘3’.

“(ii) SHORT TAXABLE YEARS.—Adjusted financial statement income for any taxable year of less than 12 months shall be annualized by multiplying the adjusted financial statement income for the short period by 12 and dividing the result by the number of months in the short period.

“(iii) TREATMENT OF PREDECESSORS.—Any reference in this subparagraph to a corporation shall include a reference to any predecessor of such corporation.

“(2) SPECIAL RULE FOR FOREIGN-PARENTED CORPORATIONS.—

“(A) IN GENERAL.—Solely for purposes of determining whether a corporation is an applicable corporation under paragraph (1), any corporation which for any taxable year is a member of an international financial reporting group the common parent of which is a foreign corporation shall include in the adjusted financial statement income of such corporation for such
taxable year the adjusted financial statement
income of all foreign members of such group.

“(B) INTERNATIONAL FINANCIAL REPORTING GROUP.—For purposes of this subpara-
graph (A), the term ‘international financial re-
porting group’ means, with respect to any re-
porting year, two or more entities if—

“(i) either—

“(I) at least one entity is a for-
egn corporation engaged in a trade or
business within the United States, or

“(II) at least one entity is a do-
mestic corporation and another entity
is a foreign corporation, and

“(ii) such entities are included in the
same applicable financial statement with
respect to such year.

“(3) REGULATIONS AND OTHER GUIDANCE.—
The Secretary shall provide regulations and other
guidance for the purposes of carrying out this sub-
section, including regulations or other guidance—

“(A) providing a simplified method for de-
termining whether a corporation meets the re-
quirements of paragraph (1), and
“(B) addressing the application of this subsection to a corporation that experiences a change in ownership.”.

(3) REDUCTION FOR BASE EROSION AND ANTI-ABUSE TAX.—Section 55(a)(2) is amended by inserting “plus, in the case of an applicable corporation (as defined in subsection (b)(2)), the tax imposed by section 59A” before the period at the end.

(4) CONFORMING AMENDMENTS.—

(A) Section 55(a) is amended by striking “In the case of a taxpayer other than a corporation, there” and inserting “There”.

(B)(i) Section 55(b)(1) is amended—

(I) by striking so much as precedes subparagraph (A) and inserting the following:

“(1) NONCORPORATE TAXPAYERS.—In the case of a taxpayer other than a corporation—”, and

(II) by adding at the end the following new subparagraph:

“(D) ALTERNATIVE MINIMUM TAXABLE INCOME.—The term ‘alternative minimum taxable income’ means the taxable income of the taxpayer for the taxable year—
“(i) determined with the adjustments provided in section 56 and section 58, and
“(ii) increased by the amount of the items of tax preference described in section 57.

If a taxpayer is subject to the regular tax, such taxpayer shall be subject to the tax imposed by this section (and, if the regular tax is determined by reference to an amount other than taxable income, such amount shall be treated as the taxable income of such taxpayer for purposes of the preceding sentence).”.

(ii) Section 860E(a)(4) is amended by striking “55(b)(2)” and inserting “55(b)(1)(D)”.

(iii) Section 897(a)(2)(A)(i) is amended by striking “55(b)(2)” and inserting “55(b)(1)(D)”.

(C) Section 11(d) is amended by striking “the tax imposed by subsection (a)” and inserting “the taxes imposed by subsection (a) and section 55”.

(D) Section 12 is amended by adding at the end the following new paragraph:
“(5) For alternative minimum tax, see section 55.”

(E) Section 882(a)(1) is amended by inserting “, 55,” after “section 11”.

(F) Section 6425(e)(1)(A) is amended to read as follows:

“(A) the sum of—

“(i) the tax imposed by section 11 or subchapter L of chapter 1, whichever is applicable, plus

“(ii) the tax imposed by section 55, plus

“(iii) the tax imposed by section 59A,

over”.

(G) Section 6655(e)(2) is amended by inserting “, adjusted financial statement income (as defined in section 56A),” before “and modified taxable income” each place it appears in subparagraphs (A)(i) and (B)(i).

(H) Section 6655(g)(1)(A) is amended by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and by inserting after clause (i) the following new clause:

“(ii) the tax imposed by section 55,”.

(b) ADJUSTED FINANCIAL STATEMENT INCOME.—
IN GENERAL.—Part VI of subchapter A of chapter 1 is amended by inserting after section 56 the following new section:

"SEC. 56A. ADJUSTED FINANCIAL STATEMENT INCOME.

"(a) IN GENERAL.—For purposes of this part, the term 'adjusted financial statement income' means, with respect to any corporation for any taxable year, the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for such taxable year, adjusted as provided in this section.

"(b) APPLICABLE FINANCIAL STATEMENT.—For purposes of this section, the term 'applicable financial statement' means, with respect to any taxable year, an applicable financial statement (as defined in section 451(b)(3)) which covers such taxable year.

"(c) GENERAL ADJUSTMENTS.—

"(1) STATEMENTS COVERING DIFFERENT TAXABLE YEARS.—Appropriate adjustments shall be made in adjusted financial statement income in any case in which an applicable financial statement covers a period other than the taxable year.

"(2) SPECIAL RULES FOR RELATED CORPORATIONS.—

"(A) CONSOLIDATED FINANCIAL STATEMENTS.—If the financial results of a taxpayer
are reported on the applicable financial statement for a group of entities, such statement shall be treated as the applicable financial statement of the taxpayer.

“(B) CONSOLIDATED RETURNS.—If the taxpayer files a consolidated return for any taxable year, adjusted financial statement income for such taxable year shall take into account items on the taxpayer’s applicable financial statement which are properly allocable to members of such group included on such return.

“(C) TREATMENT OF DIVIDENDS AND OTHER AMOUNTS.—In the case of any corporation which is not included on a consolidated return with the taxpayer, adjusted financial statement income shall take into account the earnings of such other corporation only to the extent of the sum of the dividends received from such other corporation and other amounts required to be included in gross income under this chapter (other than amounts required to be included under sections 951 and 951A) in respect of the earnings of such other corporation.

“(3) ADJUSTMENTS TO TAKE INTO ACCOUNT CERTAIN ITEMS OF FOREIGN INCOME.—
“(A) Controlled foreign corporations.—

“(i) In general.—If, for any taxable year, a taxpayer is a United States shareholder of one or more controlled foreign corporations, the adjusted financial statement income of such taxpayer shall be adjusted to take into account such taxpayer’s pro rata share (determined under rules similar to the rules under section 951(a)(2)) of items taken into account in computing the net income or loss set forth on the applicable financial statement of each such controlled foreign corporation with respect to which such taxpayer is a United States shareholder.

“(ii) Negative adjustments.—In any case in which the adjustment determined under clause (i) would result in a negative adjustment for such taxable year—

“(I) no adjustment shall be made under this subparagraph for such taxable year, and
“(II) the amount of the adjustment determined under this subparagraph for the succeeding taxable year (determined without regard to this subparagraph) shall be reduced by an amount equal to the negative adjustment for such taxable year.

“(B) DISREGARDED ENTITIES.—Adjusted financial statement income shall be adjusted to take into account any adjusted financial statement income of a disregarded entity owned by the taxpayer that is not otherwise included on the applicable financial statement.

“(4) ADJUSTMENTS FOR CERTAIN TAXES.—Adjusted financial statement income shall be appropriately adjusted to disregard any Federal income taxes, or income, war profits, or excess profits taxes (within the meaning of section 901) imposed by any foreign country or possession of the United States, which are directly or indirectly taken into account on the taxpayer’s applicable financial statement. The preceding sentence shall not apply to any such taxes imposed by a foreign country or possession of the United States if the taxpayer does not choose to take, to any extent, the benefits of section 901.
“(5) **SPECIAL RULE FOR COOPERATIVES.**—In the case of a cooperative to which section 1381 applies, the adjusted financial statement income (determined without regard to this paragraph) shall be reduced by the amounts referred to in section 1382(b) (relating to patronage dividends and per-unit retain allocations) to the extent such amounts were not otherwise taken into account in determining adjusted financial statement income.

“(6) **RULES FOR ALASKA NATIVE CORPORATIONS.**—Adjusted financial statement income shall be appropriately adjusted to allow—

“(A) cost recovery and depletion attributable to property the basis of which is determined under section 21(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1620(c)), and

“(B) deductions for amounts payable made pursuant to section 7(i) or section 7(j) of such Act (43 U.S.C. 1606(i) and 1606(j)) only at such time as the deductions are allowed for tax purposes.

“(7) **AMOUNTS ATTRIBUTABLE TO ELECTIONS FOR DIRECT PAYMENT OF CERTAIN CREDITS.**—Adjusted financial statement income shall be appro-
appropriately adjusted to disregard any amount received
as a refund of taxes which is attributable to an elec-
tion under section ____________.

“(8) CONSISTENT TREATMENT OF REASONABLE
MORTGAGE SERVICING INCOME OF A TAXPAYER
OTHER THAN A REGULATED INVESTMENT COM-
PANY.—Adjusted financial statement income shall be
appropriately adjusted to provide that reasonable
compensation (as determined by the Secretary) rec-
ognized in connection with a mortgage servicing con-
tact shall not be taken into account earlier than
when such income is taken into account under sec-
tion 451.

“(9) SECRETARIAL AUTHORITY TO ADJUST
ITEMS.—The Secretary shall issue regulations and
other guidance to provide for such adjustments to
adjusted financial statement income as the Secretary
determines necessary to carry out the purposes of
this section, including adjustments—

“(A) to prevent the omission or duplication
of any item, and

“(B) to carry out the principles of part II
of subchapter C of this chapter (relating to cor-
porate liquidations) and part III of subchapter
C of this chapter (relating to corporate organi-
izations and reorganizations).

“(d) **Deduction for Financial Statement Net Operating Loss.**—

“(1) **In general.**—Adjusted financial statement income (determined after application of sub-
section (c) and without regard to this subsection) shall be reduced by an amount equal to the lesser of—

“(A) the aggregate amount of financial statement net operating loss carryovers to the taxable year, or

“(B) 80 percent of adjusted financial statement income computed without regard to the deduction allowable under this subsection.

“(2) **Financial statement net operating loss carryover.**—A financial statement net oper-
ating loss for any taxable year shall be a financial statement net operating loss carryover to each taxable year following the taxable year of the loss. The portion of such loss which shall be carried to subsequent taxable years shall be the excess, if any, of the amount of such loss over the amount of such loss re-
maining after the application of paragraph (1).
“(3) Financial statement net operating loss defined.—For purposes of this subsection, the term ‘financial statement net operating loss’ means the amount of the net loss (if any) set forth on the corporation’s applicable financial statement (determined after application of subsection (c) and without regard to this subsection) for taxable years beginning after December 31, 2022.

“(e) Regulations and other guidance.—The Secretary shall provide for such regulations and other guidance as necessary to carry out the purposes of this section, including regulations and other guidance relating to the effect of the rules of this section on partnerships with income taken into account by an applicable corporation.”.

(2) Clerical amendment.—The table of sections for part VI of subchapter A of chapter 1 is amended by inserting after the item relating to section 56 the following new item:

“Sec. 56A. Adjusted financial statement income.”.

(c) Corporate AMT foreign tax credit.—Section 59, as amended by this section, is amended by adding at the end the following new subsection:

“(l) Corporate AMT foreign tax credit.—

“(1) In general.—For purposes of this part, if an applicable corporation chooses to have the benefits of subpart A of part III of subchapter N for
any taxable year, the AMT foreign tax credit for the
taxable year of the applicable corporation is an
amount equal to sum of—

“(A) the lesser of—

“(i) the aggregate of the applicable
corporation’s pro rata share (as deter-
mined under section 56A(c)(3)(A)) of the
amount of income, war profits, and excess
profits taxes (within the meaning of sec-
tion 901) imposed by any foreign country
or possession of the United States which
are—

“(I) directly or indirectly taken
into account on the taxpayer’s appli-
cable financial statement, and

“(II) paid or accrued (for Fed-
eral income tax purposes) by each
controlled foreign corporation with re-
spect to which the applicable corpora-
tion is a United States shareholder, or

“(ii) the product of the amount of the
adjustment under section 56A(c)(3) and
the percentage specified in section
55(b)(2)(A)(i), and
“(B) the amount of income, war profits, and excess profits taxes (within the meaning of section 901) imposed by any foreign country or possession of the United States to the extent such taxes are—

“(i) directly or indirectly taken into account on the applicable corporation’s applicable financial statement, and

“(ii) paid or accrued (for Federal income tax purposes) by the applicable corporation.

“(2) CARRYOVER OF EXCESS TAX PAID.—For any taxable year for which an applicable corporation chooses to have the benefits of subpart A of part III of subchapter N, the excess of the amount described in paragraph (1)(A)(i) over the amount described in paragraph (1)(A)(ii) shall increase the amount described in paragraph (1)(A)(i) in any of the first 5 succeeding taxable years to the extent not taken into account in a prior taxable year.

“(3) REGULATIONS AND OTHER GUIDANCE.—The Secretary shall provide for such regulations and other guidance as necessary to carry out the purposes of this subsection.”.
(d) Treatment of General Business Credit.—

Section 38(e)(6)(E) is amended to read as follows:

“(E) Corporations.—In the case of a corporation—

“(i) the first sentence of paragraph (1) shall be applied by substituting ‘25 percent of the taxpayer’s net income tax as exceeds $25,000’ for ‘the greater of’ and all that follows,

“(ii) paragraph (2)(A) shall be applied without regard to clause (ii)(I) thereof, and

“(iii) paragraph (4)(A) shall be applied without regard to clause (ii)(I) thereof.”.

(e) Credit for Prior Year Minimum Tax Liability.—

(1) In general.—Section 53(e) is amended to read as follows:

“(e) Application to Applicable Corporations.—In the case of an applicable corporation—

“(1) subsection (b)(1) shall be applied by substituting ‘the net minimum tax for all prior taxable years beginning after 2022’ for ‘the adjusted net
minimum tax imposed for all prior taxable years beginning after 1986’, and

“(2) the amount determined under subsection (c)(1) shall be increased by the amount of tax imposed under section 59A for the taxable year.”.

(2) CONFORMING AMENDMENTS.—Section 53(d) is amended—

(A) in paragraph (2), by inserting ‘‘(other than an applicable corporation’’ after ‘‘corporation’’, and

(B) by striking paragraph (3).

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2022.