

1 **SEC. _____. CORPORATE ALTERNATIVE MINIMUM TAX.**

2 (a) IMPOSITION OF TAX.—

3 (1) IN GENERAL.—Paragraph (2) of section
4 55(b) is amended to read as follows:

5 “(2) CORPORATIONS.—

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

10 “(i) 15 percent of the adjusted finan-
11 cial statement income for the taxable year
12 (as determined under section 56A), over

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

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

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

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

24 “(1) APPLICABLE CORPORATION DEFINED.—

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

6 “(i) has the average annual adjusted
7 financial statement income which is great-
8 er than \$1,000,000,000, and

9 “(ii) in the case of a corporation de-
10 scribed in paragraph (2), has an average
11 annual adjusted financial statement income
12 (determined without regard to the applica-
13 tion of paragraph (2)) which is
14 \$100,000,000 or more.

15 “(B) APPLICABLE 3-TAXABLE YEAR PE-
16 RIOD.—For purposes of this paragraph, the
17 term ‘applicable 3-taxable-year period’ means,
18 with respect to any corporation for any taxable
19 year, any 3 consecutive taxable years of such
20 corporation occurring during the period ending
21 with the taxable year which precedes such tax-
22 able year. For purposes of the preceding sen-
23 tence, only taxable years beginning after De-
24 cember 31, 2019, shall be taken into account.

1 “(C) EXCEPTION.—Notwithstanding sub-
2 paragraph (A), the term ‘applicable corporation’
3 shall not include any corporation which other-
4 wise meets the requirements of subparagraph
5 (A) if—

6 “(i) such corporation—

7 “(I) has a change in ownership,

8 or

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

14 “(ii) the Secretary determines that it
15 would not be appropriate to continue to
16 treat such corporation as an applicable cor-
17 poration.

18 The preceding sentence shall not apply to any
19 corporation if, after the Secretary makes the
20 determination described in clause (ii), such cor-
21 poration meets the requirements of subpara-
22 graph (A) for any applicable 3-taxable year pe-
23 riod beginning after the first taxable year for
24 which the determination applies.

1 “(D) SPECIAL RULES FOR DETERMINING
2 AVERAGE ANNUAL ADJUSTED FINANCIAL
3 STATEMENT INCOME.—Solely for purposes of
4 determining the average annual adjusted finan-
5 cial statement income of a corporation for any
6 period—

7 “(i) all persons treated as a single em-
8 ployer under subsection (a) or (b) of sec-
9 tion 52 shall be treated as 1 person, except
10 that in applying section 1563 for purposes
11 of section 52, the exceptions under sub-
12 paragraphs (C) and (D) of section
13 1563(b)(2) shall be disregarded,

14 “(ii) in the case of a foreign corpora-
15 tion, only income described in section
16 56A(c)(3) and income that is, or is treated
17 as, effectively connected with the conduct
18 of a trade or business in the United
19 States) shall be taken into account.

20 “(E) OTHER SPECIAL RULES.—

21 “(i) CORPORATIONS IN EXISTENCE
22 FOR LESS THAN 3 YEARS.—If the corpora-
23 tion was in existence for less than 3-tax-
24 able years, subparagraph (B) shall be ap-
25 plied by substituting the number of taxable

1 years for which the corporation was in ex-
2 istence for ‘3’.

3 “(ii) SHORT TAXABLE YEARS.—Ad-
4 justed financial statement income for any
5 taxable year of less than 12 months shall
6 be annualized by multiplying the adjusted
7 financial statement income for the short
8 period by 12 and dividing the result by the
9 number of months in the short period.

10 “(iii) TREATMENT OF PREDE-
11 CESSORS.—Any reference in this subpara-
12 graph to a corporation shall include a ref-
13 erence to any predecessor of such corpora-
14 tion.

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

17 “(A) IN GENERAL.—Solely for purposes of
18 determining whether a corporation is an appli-
19 cable corporation under paragraph (1), any cor-
20 poration which for any taxable year is a mem-
21 ber of an international financial reporting group
22 the common parent of which is a foreign cor-
23 poration shall include in the adjusted financial
24 statement income of such corporation for such

1 taxable year the adjusted financial statement
2 income of all foreign members of such group.

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

8 “(i) either—

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

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

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

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

22 “(A) providing a simplified method for de-
23 termining whether a corporation meets the re-
24 quirements of paragraph (1), and

1 “(B) addressing the application of this
2 subsection to a corporation that experiences a
3 change in ownership.”.

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

9 (4) CONFORMING AMENDMENTS.—

10 (A) Section 55(a) is amended by striking
11 “In the case of a taxpayer other than a cor-
12 poration, there” and inserting “There”.

13 (B)(i) Section 55(b)(1) is amended—

14 (I) by striking so much as precedes
15 subparagraph (A) and inserting the fol-
16 lowing:

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

19 (II) by adding at the end the fol-
20 lowing new subparagraph:

21 “(D) ALTERNATIVE MINIMUM TAXABLE IN-
22 COME.—The term ‘alternative minimum taxable
23 income’ means the taxable income of the tax-
24 payer for the taxable year—

1 “(i) determined with the adjustments
2 provided in section 56 and section 58, and
3 “(ii) increased by the amount of the
4 items of tax preference described in section
5 57.

6 If a taxpayer is subject to the regular tax, such
7 taxpayer shall be subject to the tax imposed by
8 this section (and, if the regular tax is deter-
9 mined by reference to an amount other than
10 taxable income, such amount shall be treated as
11 the taxable income of such taxpayer for pur-
12 poses of the preceding sentence).”.

13 (ii) Section 860E(a)(4) is amended by
14 striking “55(b)(2)” and inserting
15 “55(b)(1)(D)”.

16 (iii) Section 897(a)(2)(A)(i) is amended by
17 striking “55(b)(2)” and inserting
18 “55(b)(1)(D)”.

19 (C) Section 11(d) is amended by striking
20 “the tax imposed by subsection (a)” and insert-
21 ing “the taxes imposed by subsection (a) and
22 section 55”.

23 (D) Section 12 is amended by adding at
24 the end the following new paragraph:

1 “(5) For alternative minimum tax, see section
2 55.”.

3 (E) Section 882(a)(1) is amended by in-
4 serting “, 55,” after “section 11”.

5 (F) Section 6425(c)(1)(A) is amended to
6 read as follows:

7 “(A) the sum of—

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

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

13 “(iii) the tax imposed by section 59A,
14 over”.

15 (G) Section 6655(e)(2) is amended by in-
16 serting “, adjusted financial statement income
17 (as defined in section 56A),” before “and modi-
18 fied taxable income” each place it appears in
19 subparagraphs (A)(i) and (B)(i).

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

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

25 (b) ADJUSTED FINANCIAL STATEMENT INCOME.—

1 (1) IN GENERAL.—Part VI of subchapter A of
2 chapter 1 is amended by inserting after section 56
3 the following new section:

4 **“SEC. 56A. ADJUSTED FINANCIAL STATEMENT INCOME.**

5 “(a) IN GENERAL.—For purposes of this part, the
6 term ‘adjusted financial statement income’ means, with re-
7 spect to any corporation for any taxable year, the net in-
8 come or loss of the taxpayer set forth on the taxpayer’s
9 applicable financial statement for such taxable year, ad-
10 justed as provided in this section.

11 “(b) APPLICABLE FINANCIAL STATEMENT.—For
12 purposes of this section, the term ‘applicable financial
13 statement’ means, with respect to any taxable year, an ap-
14 plicable financial statement (as defined in section
15 451(b)(3)) which covers such taxable year.

16 “(c) GENERAL ADJUSTMENTS.—

17 “(1) STATEMENTS COVERING DIFFERENT TAX-
18 ABLE YEARS.—Appropriate adjustments shall be
19 made in adjusted financial statement income in any
20 case in which an applicable financial statement cov-
21 ers a period other than the taxable year.

22 “(2) SPECIAL RULES FOR RELATED CORPORA-
23 TIONS.—

24 “(A) CONSOLIDATED FINANCIAL STATE-
25 MENTS.—If the financial results of a taxpayer

1 are reported on the applicable financial state-
2 ment for a group of entities, such statement
3 shall be treated as the applicable financial
4 statement of the taxpayer.

5 “(B) CONSOLIDATED RETURNS.—If the
6 taxpayer files a consolidated return for any tax-
7 able year, adjusted financial statement income
8 for such taxable year shall take into account
9 items on the taxpayer’s applicable financial
10 statement which are properly allocable to mem-
11 bers of such group included on such return.

12 “(C) TREATMENT OF DIVIDENDS AND
13 OTHER AMOUNTS.—In the case of any corpora-
14 tion which is not included on a consolidated re-
15 turn with the taxpayer, adjusted financial state-
16 ment income shall take into account the earn-
17 ings of such other corporation only to the ex-
18 tent of the sum of the dividends received from
19 such other corporation and other amounts re-
20 quired to be included in gross income under this
21 chapter (other than amounts required to be in-
22 cluded under sections 951 and 951A) in respect
23 of the earnings of such other corporation.

24 “(3) ADJUSTMENTS TO TAKE INTO ACCOUNT
25 CERTAIN ITEMS OF FOREIGN INCOME.—

1 “(A) CONTROLLED FOREIGN CORPORA-
2 TIONS.—

3 “(i) IN GENERAL.—If, for any taxable
4 year, a taxpayer is a United States share-
5 holder of one or more controlled foreign
6 corporations, the adjusted financial state-
7 ment income of such taxpayer shall be ad-
8 justed to take into account such taxpayer’s
9 pro rata share (determined under rules
10 similar to the rules under section
11 951(a)(2)) of items taken into account in
12 computing the net income or loss set forth
13 on the applicable financial statement of
14 each such controlled foreign corporation
15 with respect to which such taxpayer is a
16 United States shareholder.

17 “(ii) NEGATIVE ADJUSTMENTS.—In
18 any case in which the adjustment deter-
19 mined under clause (i) would result in a
20 negative adjustment for such taxable
21 year—

22 “(I) no adjustment shall be made
23 under this subparagraph for such tax-
24 able year, and

1 “(II) the amount of the adjust-
2 ment determined under this subpara-
3 graph for the succeeding taxable year
4 (determined without regard to this
5 subparagraph) shall be reduced by an
6 amount equal to the negative adjust-
7 ment for such taxable year.

8 “(B) DISREGARDED ENTITIES.—Adjusted
9 financial statement income shall be adjusted to
10 take into account any adjusted financial state-
11 ment income of a disregarded entity owned by
12 the taxpayer that is not otherwise included on
13 the applicable financial statement.

14 “(4) ADJUSTMENTS FOR CERTAIN TAXES.—Ad-
15 justed financial statement income shall be appro-
16 priately adjusted to disregard any Federal income
17 taxes, or income, war profits, or excess profits taxes
18 (within the meaning of section 901) imposed by any
19 foreign country or possession of the United States,
20 which are directly or indirectly taken into account on
21 the taxpayer’s applicable financial statement. The
22 preceding sentence shall not apply to any such taxes
23 imposed by a foreign country or possession of the
24 United States if the taxpayer does not choose to
25 take, to any extent, the benefits of section 901.

1 “(5) SPECIAL RULE FOR COOPERATIVES.—In
2 the case of a cooperative to which section 1381 ap-
3 plies, the adjusted financial statement income (deter-
4 mined without regard to this paragraph) shall be re-
5 duced by the amounts referred to in section 1382(b)
6 (relating to patronage dividends and per-unit retain
7 allocations) to the extent such amounts were not
8 otherwise taken into account in determining ad-
9 justed financial statement income.

10 “(6) RULES FOR ALASKA NATIVE CORPORA-
11 TIONS.—Adjusted financial statement income shall
12 be appropriately adjusted to allow—

13 “(A) cost recovery and depletion attrib-
14 utable to property the basis of which is deter-
15 mined under section 21(c) of the Alaska Native
16 Claims Settlement Act (43 U.S.C. 1620(c)),
17 and

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

23 “(7) AMOUNTS ATTRIBUTABLE TO ELECTIONS
24 FOR DIRECT PAYMENT OF CERTAIN CREDITS.—Ad-
25 justed financial statement income shall be appro-

1 priately adjusted to disregard any amount received
2 as a refund of taxes which is attributable to an elec-
3 tion under section _____.

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

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

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

22 “(B) to carry out the principles of part II
23 of subchapter C of this chapter (relating to cor-
24 porate liquidations) and part III of subchapter

1 C of this chapter (relating to corporate organi-
2 zations and reorganizations).

3 “(d) DEDUCTION FOR FINANCIAL STATEMENT NET
4 OPERATING LOSS.—

5 “(1) IN GENERAL.—Adjusted financial state-
6 ment income (determined after application of sub-
7 section (c) and without regard to this subsection)
8 shall be reduced by an amount equal to the lesser
9 of—

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

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

16 “(2) FINANCIAL STATEMENT NET OPERATING
17 LOSS CARRYOVER.—A financial statement net oper-
18 ating loss for any taxable year shall be a financial
19 statement net operating loss carryover to each tax-
20 able year following the taxable year of the loss. The
21 portion of such loss which shall be carried to subse-
22 quent taxable years shall be the excess, if any, of the
23 amount of such loss over the amount of such loss re-
24 maining after the application of paragraph (1).

1 “(3) FINANCIAL STATEMENT NET OPERATING
2 LOSS DEFINED.—For purposes of this subsection,
3 the term ‘financial statement net operating loss’
4 means the amount of the net loss (if any) set forth
5 on the corporation’s applicable financial statement
6 (determined after application of subsection (c) and
7 without regard to this subsection) for taxable years
8 beginning after December 31, 2022.

9 “(e) REGULATIONS AND OTHER GUIDANCE.—The
10 Secretary shall provide for such regulations and other guid-
11 ance as necessary to carry out the purposes of this section,
12 including regulations and other guidance relating to the
13 effect of the rules of this section on partnerships with in-
14 come taken into account by an applicable corporation.”.

15 (2) CLERICAL AMENDMENT.—The table of sec-
16 tions for part VI of subchapter A of chapter 1 is
17 amended by inserting after the item relating to sec-
18 tion 56 the following new item:

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

19 (c) CORPORATE AMT FOREIGN TAX CREDIT.—Sec-
20 tion 59, as amended by this section, is amended by adding
21 at the end the following new subsection:

22 “(l) CORPORATE AMT FOREIGN TAX CREDIT.—

23 “(1) IN GENERAL.—For purposes of this part,
24 if an applicable corporation chooses to have the ben-
25 efits of subpart A of part III of subchapter N for

1 any taxable year, the AMT foreign tax credit for the
2 taxable year of the applicable corporation is an
3 amount equal to sum of—

4 “(A) the lesser of—

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

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

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

21 “(ii) the product of the amount of the
22 adjustment under section 56A(c)(3) and
23 the percentage specified in section
24 55(b)(2)(A)(i), and

1 “(B) the amount of income, war profits,
2 and excess profits taxes (within the meaning of
3 section 901) imposed by any foreign country or
4 possession of the United States to the extent
5 such taxes are—

6 “(i) directly or indirectly taken into
7 account on the applicable corporation’s ap-
8 plicable financial statement, and

9 “(ii) paid or accrued (for Federal in-
10 come tax purposes) by the applicable cor-
11 poration.

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

21 “(3) REGULATIONS AND OTHER GUIDANCE.—
22 The Secretary shall provide for such regulations and
23 other guidance as necessary to carry out the pur-
24 poses of this subsection.”.

1 (d) TREATMENT OF GENERAL BUSINESS CREDIT.—

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

3 “(E) CORPORATIONS.—In the case of a
4 corporation—

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

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

13 “(iii) paragraph (4)(A) shall be ap-
14 plied without regard to clause (ii)(I) there-
15 of.”.

16 (e) CREDIT FOR PRIOR YEAR MINIMUM TAX LIABIL-
17 ITY.—

18 (1) IN GENERAL.—Section 53(e) is amended to
19 read as follows:

20 “(e) APPLICATION TO APPLICABLE CORPORA-
21 TIONS.—In the case of an applicable corporation—

22 “(1) subsection (b)(1) shall be applied by sub-
23 stituting ‘the net minimum tax for all prior taxable
24 years beginning after 2022’ for ‘the adjusted net

1 minimum tax imposed for all prior taxable years be-
2 ginning after 1986’, and

3 “(2) the amount determined under subsection
4 (c)(1) shall be increased by the amount of tax im-
5 posed under section 59A for the taxable year.”.

6 (2) CONFORMING AMENDMENTS.—Section
7 53(d) is amended—

8 (A) in paragraph (2), by inserting “(other
9 than an applicable corporation” after “corpora-
10 tion”, and

11 (B) by striking paragraph (3).

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