

Joint Economic Committee

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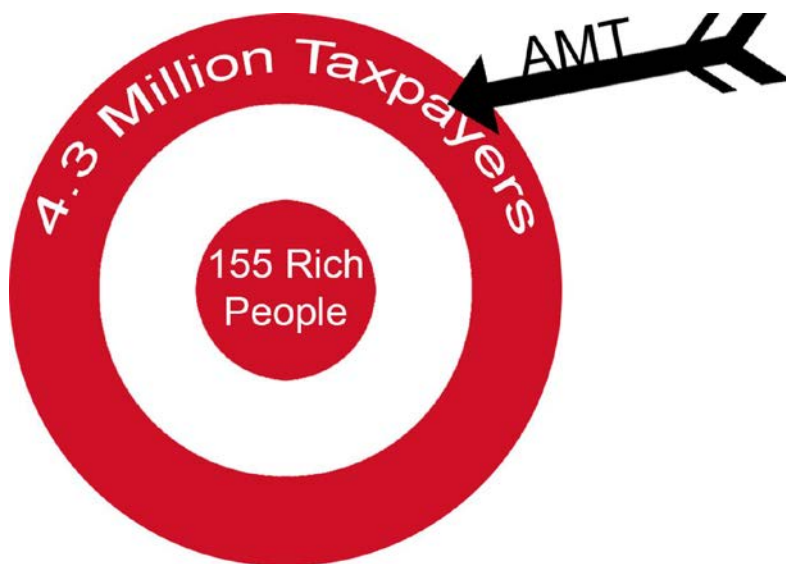
April 10, 2017

Ten Reasons to Reform the Tax Code

REASON #5: Americans shouldn't have to calculate taxes under two different tax systems.

Trapped in a shadow tax system. The Alternative Minimum Tax operates as a parallel tax system that requires Americans to calculate their tax burden under two separate structures. Under the AMT, taxpayers with many children, a second mortgage, high state taxes, or who otherwise claim various tax benefits they thought the tax code was intended to encourage may be trapped into [recalculating their taxes](#) under a different set of rules and paying much higher taxes.

Alternative
Minimum
Tax



Missing the intended target. The AMT was originally inspired by 1969 testimony of the then-Treasury secretary to the Joint Economic Committee that [155 affluent individuals](#) paid no income tax. Sadly, instead of targeting the ultra-wealthy the AMT hit almost [4.3 million taxpayers](#) during the 2015 tax filing season, including thousands of Americans with incomes of less than \$15,000. Millions more had to use complicated calculations to determine whether AMT might apply. An estimated [4.7 million taxpayers](#) will owe AMT during the current tax filing season.

A fairer and simpler solution. Tax reform that repeals the AMT and broadens the tax base by eliminating special tax breaks is the best way to prevent tax dodging without burdening a large swath of innocent taxpayers.

To be continued...