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In a last-minute change, Senate Republicans included retention of the corporate AMT in their tax bill last week, which could negatively impact the COLI/BOLI marketplace. However, there is reason to believe that this provision will be changed in any final tax bill.

A fundamental goal of tax reform for Republicans is to significantly reduce tax rates on businesses while simplifying the tax code to increase economic growth. Repeal of both the corporate and individual AMTs has been seen as a central element of reform.

Both House and Senate leaders recognize the serious issues with the retention of corporate AMT.

AALU has been working with our champions in Congress and our partners in DC to address this issue since the tax bill passed the Senate. We prefer the House position of full repeal of the corporate AMT, but changes to the Senate text must be made at a minimum.

While we will spare no effort, there are a number of indications that corporate AMT will ultimately be removed from the final tax reform package. A number of stakeholders in the business community support the House position, and Senate leaders have indicated a willingness to repeal the corporate AMT.

Senate Finance Chairman Orrin Hatch (R-UT), when asked about the corporate AMT, said, "I'd like to get rid of it." Republican Conference Chairman John Thune (R-SD) said, "there's a high level of interest" in minimizing the measure's impact, and Senator Rob Portman (R-OH), a conferee on the tax bill and one of the key decision makers on tax reform, said "I'm not a big AMT fan. I'd like to end up there [the House position]."

On the other side of the Capitol, House Republicans have strongly defended the need for full repeal of the corporate AMT. Ways and Means Chairman Kevin Brady (R-TX) said that retaining corporate AMT would "undermine the pro-growth provisions in that code," and said it was an issue that would have to be reconciled with the Senate. House Majority Leader Kevin McCarthy (R-CA) said that corporate AMT, "has to be eliminated because that would destroy R&D."

AALU will continue to work with our partners on this issue, and will keep you updated on the latest developments. Call us with questions, comments, or your own intelligence at 202.742.4638.

## Read More

- [Chief Senate Tax Writers Prefer AMT Repeal: Tax Debate Update](#)
- [An Arcane Rule in the GOP Tax Bill Could Ruin the 20% Corporate Rate](#)
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