Resolution No: 16

Date: January 20, 2003
City: Las Vegas, NV

NAHB Resolution

Title: Alternative Minimum Tax
Original Sponsor: Federal Government Affairs Taxation Subcommittee

WHEREAS, a significant proportion of the NAHB membership is adversely affected by the Alternative Minimum Tax (AMT); and

WHEREAS, the AMT presents builders with industry specific accounting burdens by requiring that they compute the difference between the completed contract method of accounting and the percentage of completion method of accounting as a preference item for calculating the income to which the AMT applies; and

WHEREAS, the AMT limits the effectiveness of targeted provisions in the Internal Revenue Code such as all of the nonrefundable personal tax credits and investment provisions affecting depreciation and amortization; and

WHEREAS, the AMT limits state and local property tax deductions; and

WHEREAS, the AMT dates to the 1960s and was originally intended to prevent a small number of corporate and individual taxpayers from taking unusual advantage of tax incentives that are no longer in the law; and

WHEREAS, the AMT is projected to have an increase in its application from 1.3 million taxpayers in 2000 to 17 million taxpayers in 2010 with an increase in tax of $189 billion over that period; and

WHEREAS, the corporate and individual AMT has been recommended for repeal by the nonpartisan staff of the Congressional Joint Committee on Taxation because it no longer serves its original objective of preventing taxpayers from realizing undue benefits of tax code provisions and is becoming a burden for both corporations and individuals.

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders (NAHB) support the repeal of the personal and corporate Alternative Minimum Tax.

Board of Directors Action:	**Approved**
Joint Executive/Resolutions Committee Action	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Housing Finance Committee:	Recommends Approval
Federal Government Affairs Taxation Subcommittee Action:	Recommends Approval