



October 24, 2007

## Don't Offset Tax Corrections

Dear Colleague:

Reports indicate that major legislation may soon be introduced that would prevent most taxpayers from becoming subject to the Alternative Minimum Tax (AMT)—but then would offset this correction with tax increases on other people. We urge you to join the chorus of voices who are saying that this plan is unacceptable. The correction of tax mistakes should never be offset with tax increases.

The AMT was created in 1969 as a mandatory add-on to the existing tax code to prevent 155 of the very wealthiest taxpayers from lowering their tax bills using the available deductions and credits. However, because the AMT exemption is not adjusted for inflation, 3.5 million taxpayers were subject to the AMT in 2006, and tax organizations estimate that 23 million taxpayers may be subject to the AMT in 2007.

This bracket-creep for the AMT was never intended and is universally regarded as deplorable and worthy of immediate correction. That's why we've introduced the **Taxpayer Choice Act** (H.R. 3818), which would immediately, fully, and permanently repeal the AMT without raising taxes on anyone, anywhere, anytime.

The Taxpayer Choice Act would also make permanent the current capital gains and dividends tax rates and create a voluntary Simplified Tax that would give individuals the option of paying under a highly simplified income tax system or under the regular income tax as it is structured now.

The only rationale for “paying” for an AMT repeal with offsetting tax increases on other people and businesses is the belief that the government somehow *deserves* the higher tax revenues from the AMT. We don't believe that—and we don't think most Americans believe that.

For more information, or to co-sponsor the Taxpayer Choice Act (H.R. 3818), please contact Paul Teller at [paul.teller@mail.house.gov](mailto:paul.teller@mail.house.gov) or Tim Flynn at [tim.flynn@mail.house.gov](mailto:tim.flynn@mail.house.gov).

Sincerely,

Rep. Jeb Hensarling

Rep. Paul Ryan

Rep. John Campbell

Rep. Michele Bachmann