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Congress of the United States
House of Representatives
Washington, DC 20515-1505
May 4, 2006

COMMITTEES:
WAYS AND MEANS

EDUCATION AND
THE WORKFORCE

DEPUTY WHIP

COMMISSIONER

U.S.-RUSSIAN JOINT
COMMISSION ON POW/MIAs

REGENT

SMITHSONIAN INSTITUTION

The Honorable Bill Thomas
Chairman
House Committee on Ways & Means
1101 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Thomas,

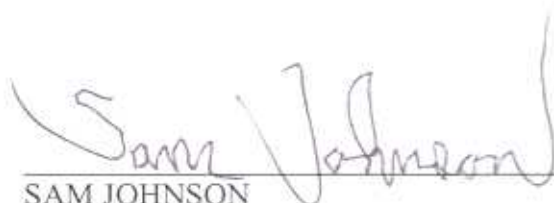
We are supportive of including the AMT Credit Fairness Act (H.R. 3385) in the Reconciliation tax bill that is in conference with the Senate. Including relief for taxpayers who have accumulated pre-paid tax credits from Alternative Minimum Tax (AMT) should be part of the comprehensive agreement on the extension of the AMT hold-harmless.

The crediting mechanism of AMT simply does not work as envisioned when AMT was put into the tax code. Our constituents have individually pre-paid thousands of dollars of tax for a cumulative credit of at least hundreds of millions of dollars or, according to the Joint Committee on Taxation score, billions of dollars. Our constituents should not be required to continue floating the government an interest-free loan forever. Many of our constituents have seen their retirement savings wiped out, their wages garnished and their homes seized in order to pre-pay taxes on income that they never actually received.

The AMT Credit Fairness Act, would allow those Americans who have carried forward AMT tax credits for four years to annually redeem these credits at the greater of either \$5,000 or 20% of their balance. To help offset the revenue effect of the redemption of these credits, and to create better compliance with the law in the future, the amendment also calls for the employer to issue a Form 1099 to the IRS and the employee upon the exercise of future incentive stock options.

Again, Mr. Chairman, the AMT requires individuals to prepay their taxes, resulting in accumulated credits. It is only right that people be allowed to use these credits and not float the government an interest free loan forever.

Sincerely,



SAM JOHNSON
Member of Congress



RICHARD NEAL
Member of Congress



JIM RAMSTAD
Member of Congress



ZOE LOFGREN
Member of Congress



THAD McCOTTER
Member of Congress



JOHN MICA
Member of Congress



DARLENE HOOLEY
Member of Congress



KEN CALVERT
Member of Congress



CHRIS CANNON
Member of Congress



PETE SESSIONS
Member of Congress



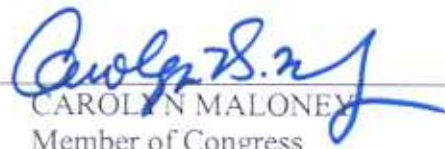
JOHN CARTER
Member of Congress



DORIS MATSUI
Member of Congress



LAMAR SMITH
Member of Congress



CAROLYN MALONEY
Member of Congress



JIM GERLACH
Member of Congress



MIKE HONDA
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Joe Schwarz, MD
Member of Congress



Member of Congress



Jay Inslee
Member of Congress



Anna Eshoo
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Chris Van Hollen
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Tom Lantos
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Michael T. McCaul
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Sam Farr
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