



CONGRESSMAN

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NEWS RELEASE

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Van Hollen Introduces Bi-Partisan Legislation to Correct Major Inequity in the AMT

(WASHINGTON, DC) -- Congressman Chris Van Hollen (D-MD) today introduced bipartisan legislation that would correct a severe inequity in the AMT tax system and resolve the AMT Incentive Stock Option (ISO) crisis. The AMT Credit Fairness and Relief Act would eliminate the injustice imposed upon hardworking Americans caused by the unintended and unanticipated effects of the AMT as it relates to Incentive Stock Options.

The AMT tax treatment of ISOs has had a devastating impact on countless employees, often resulting in a tax burden of up to and exceeding 300 percent of these employees' annual salaries. Workers are being forced to pay thousands of dollars in tax prepayments on projected income they never received.

"The goal of this legislation is to restore a basic sense of fairness to a section of the tax code that has gone tragically awry," said Congressman Van Hollen. "While everyone should pay a just and proportionate amount of tax on money they actually make, no one should lose their home, savings, and retirement to a wildly disproportionate tax on phantom income they never saw because our tax laws failed to anticipate the circumstances in which a number of our citizens now find themselves. I am grateful to my colleagues on both sides of the aisle for their support of this initiative as we work to correct this unintended defect in the Code in a prompt and bipartisan fashion."

The AMT Credit Fairness and Relief Act, which Van Hollen introduced with Rep. Sam Johnson (R-TX), Rep. Richard Neal (D-MA) and Rep. Jim Ramstad (R-MN), builds on and extends the AMT ISO relief legislation passed in the 109th Congress. Under Van Hollen's bill, all employees and families will pay a fair tax on money actually made, and employees and families who have been unable to pay the severely disproportionate taxes imposed on phantom income they never received will be relieved of that unintended liability, related interest and penalties.

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