

Expect Another Notice on Corporate AMT, Treasury Official Says

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By Kristen A. Parillo

Treasury and the IRS plan to issue one more notice on the corporate alternative minimum tax before issuing a reproposed package of rules at the end of 2026.

The government's goal is to finalize the corporate AMT regs in 2027, Kevin Salinger, Treasury deputy assistant secretary for tax policy, said January 13 at the New York State Bar Association Tax Section's annual meeting.

The notice would follow four others issued in 2025 that addressed simplified methods, partnerships, corporate transactions, and various technical issues: [Notice 2025-27](#), 2025-26 IRB 1611; [Notice 2025-28](#), 2025-34 IRB 316; [Notice 2025-46](#), 2025-43 IRB 533; and [Notice 2025-49](#), 2025-44 IRB 627.

Salinger didn't specify what the notice will cover or its timing, saying only that it will be issued soon.

The Trump administration believes, based on the legislative history, that Congress intended for the corporate AMT to address aggressive tax avoidance and sophisticated tax planning strategies that create large divergences between taxable income and book income, not routine business activity, Salinger said.

"That understanding has guided Treasury's implementation" of the corporate AMT under the Trump administration, Salinger added.

Enacted in August 2022 as part of the [Inflation Reduction Act](#), the corporate AMT imposes a 15 percent tax on the adjusted financial statement income of large corporations and corporate groups whose average annual adjusted financial statement income for three consecutive tax years exceeds \$1 billion.

The corporate AMT was added to the act relatively late in the legislative process, "after it became clear that there weren't sufficient votes for an across-the-board increase in a corporate tax rate," Salinger said.

By adopting the tax instead of a broader rate increase, Congress deliberately focused on a narrow population of very large corporations, Salinger said. He noted that at the time of enactment, the Joint Committee on Taxation estimated that the corporate AMT would apply to around 100 to 125 corporations. "That framing matters because it tells us something fundamental about what Congress was and was not trying to do," he added.

Targeted Tax

Congress “was well aware that book income and taxable income differ in many ways and for good reasons,” Salinger said, adding that “both are measures of income and they serve entirely different purposes.”

Financial accounting is designed to inform investors, markets, and other stakeholders, while tax accounting is designed to measure tax liability in accordance with statutory policy choices, Salinger said.

Congress didn’t intend for the corporate AMT to apply to every difference between those two systems, according to Salinger. “That intent is evident from the statute itself,” he said. The corporate AMT base “is not financial statement income; it is adjusted financial statement income,” he said.

That Congress carved out specific categories of book tax differences from the corporate AMT base reflects that it didn’t intend for every difference to be subject to the new tax, Salinger said.

“Congress also understood that the statutory list would not be exhaustive,” Salinger said, adding that a tax built on financial accounting standards developed outside the tax system and constantly evolving “could not function as substantial regulatory intervention.” Congress therefore granted Treasury a significantly broad amount of authority to make adjustments “necessary to carry out the purposes of” the corporate AMT, he said.

Given the legislative history, Treasury believes that any rules it issues must be aimed at aggressive tax strategies that create large divergences between taxable income and book income, not at routine business activity, Salinger said.

On one side of the equation “are differences attributable to corporate tax option — highly engineered transactions designed to avoid federal income tax,” Salinger said. “These might include profit shifting to tax savings, artificial income allocations to tax-indifferent entities through partnerships or leasing arrangements, deductible outbound payments to related parties in low-tax jurisdictions, manipulations of entity classification rules, and many other tax motivated structures, whether abusive or not,” he said.

On the other side, Salinger said, are differences that arise from the mechanical application of accounting rules to ordinary business transactions — that is, differences that have nothing to do with tax avoidance. “These include routine timing differences, mark-to-market accounting, and the treatment of depreciation and amortization, where Congress itself has made deliberate policy choices around cost recovery,” he said.

According to Salinger, the statutory adjustments to financial statement income illustrate that distinction. “Congress excluded unrealized gains on corporate stock and certain other assets from [corporate AMT] because those gains do not reflect tax avoidance,” he said. “Congress carved out accelerated depreciation because it did not want [corporate AMT] to frustrate investment incentives it had affirmatively chosen to enact.”

Through the notices issued in 2025, Treasury has treated those statutory carveouts as guideposts, Salinger said. "Where the underlying activity has nothing to do with tax avoidance, we have exercised our regulatory authority to provide analogous adjustments," he added.

The corporate AMT "is not and was not intended to be a parallel corporate tax system that sweeps in every book-tax difference," Salinger said. "It is a targeted guardrail aimed at aggressive tax avoidance by a limited set of very large corporations."

"Treasury's job is to ensure that it operates as such without penalizing ordinary business activity, imposing significant information sharing or compliance burdens on smaller businesses not owned by those corporations, or undermining other provisions of the tax code," Salinger said.