

PUBLICATION

End of Year Tax Legislation for 2007

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At the end of 2007, Congress passed and President Bush signed several pieces of tax legislation that affect individuals and businesses. This legislation included the Mortgage Forgiveness Debt Relief Act of 2007 ("MFDA"), the Tax Technical Corrections Act of 2007 ("TTCA"), and the Tax Increase Prevention Act of 2007 ("TIPA"). The following discusses some of the important changes to the Internal Revenue Code of 1986, as amended (the "Code") included in these pieces of legislation.

I. Individual Tax Provisions

AMT Patch. TIPA provides a one year patch for the alternative minimum tax ("AMT") and is expected to save as many as 25 million taxpayers from facing an average tax increase of \$2,000 for the 2007 tax year. The AMT patch raises the AMT exemption amounts for 2007 as follows: