Legislation allows homeowners to deduct their property tax from their AMT liability

Washington, DC – On Tax Day (Wednesday, April 15), Rep. Steve Israel (D – New York) announced legislation that would lower taxes for New York homeowners by reducing their federal Alternative Minimum Tax liability.

"The AMT was designed four decades ago to target an elite group of 155 wealthy individuals. It was not meant for millions of hard-working middle class Americans. In high-cost areas like Long Island, we're hit with the double whammy – painful property taxes and the unfair AMT. That's why I've introduced a bill to help homeowners by allowing them to deduct their property taxes from their AMT liability," said Rep. Israel.

The Homeowners Property Tax Relief Act of 2009 (H.R. 412) was introduced by Rep. Israel and co-sponsored by Reps. John Hall (D – New York), Tim Bishop (D – New York), and Anthony Weiner (D – New York). The legislation amends section 56(b)(1)(A) of the Internal Revenue Code of 1986 to allow homeowners to deduct state and local property taxes from their federal income tax AMT liability.

The AMT was created in 1969 to target 155 wealthy families who, because of deductions, were paying little or no federal income tax. Today, the AMT affects millions of Americans, disproportionately targeting families who live in high cost areas.

Rep. Israel serves on the House Appropriations Committee.