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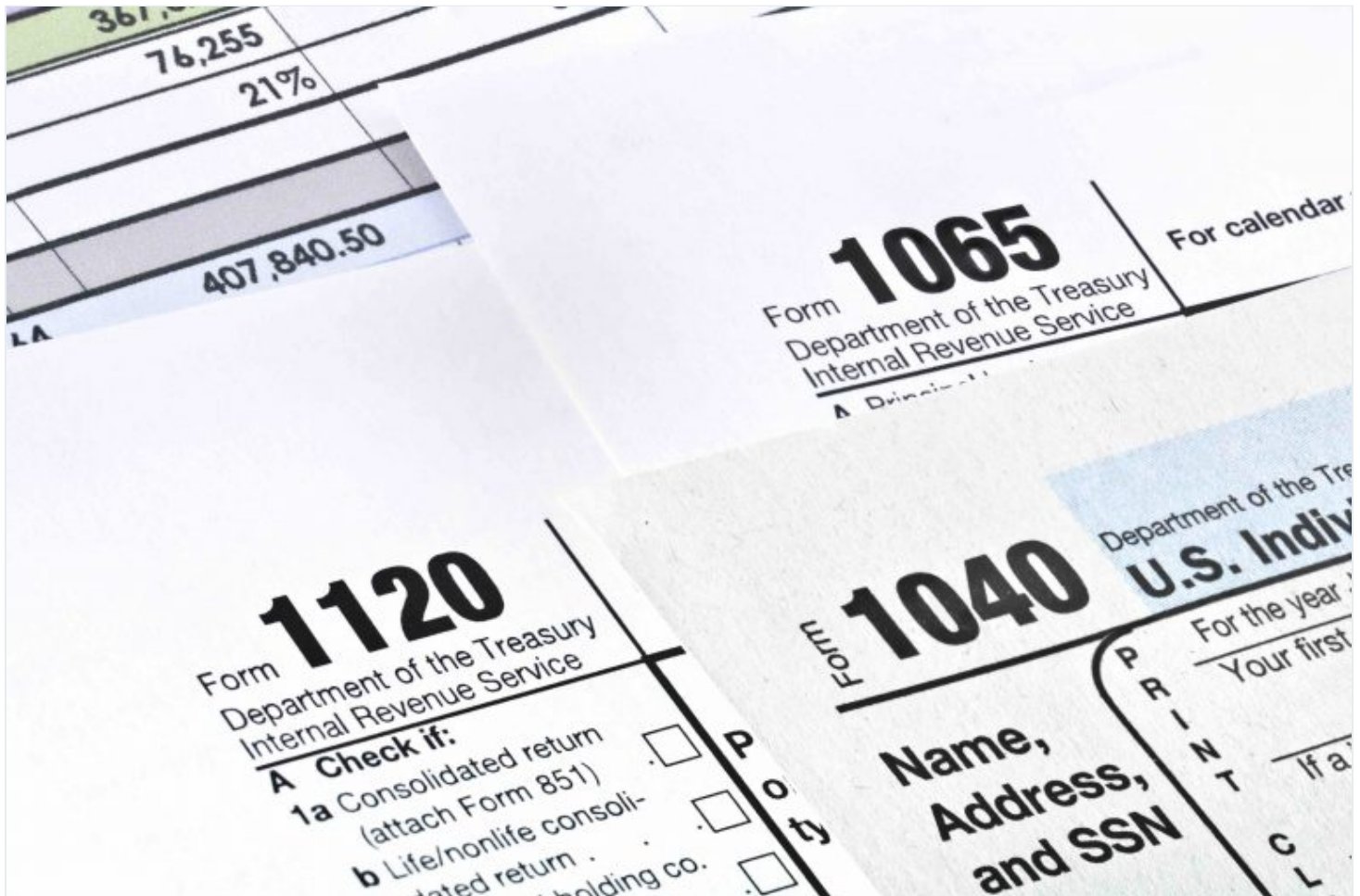
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**NEWS**

# IRS Gives Guidance on New Corporate AMT

The guidance also provides general rules for determining a taxpayer's financial statement income and AFSI.

Isaac M. O'Bannon • Sep. 12, 2023



The Department of Treasury and the Internal Revenue Service have issued [Notice 2023-64](#) (PDF) to provide additional interim guidance designed to help corporations determine whether the new corporate alternative minimum tax (CAMT) applies to them and how to compute the tax.

Notice 2023-64, clarifies and supplements [Notice 2023-07](#) and [Notice 2023-20](#), issued earlier this year. Treasury and IRS anticipate that forthcoming proposed regulations will be consistent with this interim guidance.

The Inflation Reduction Act created the CAMT, which imposes a 15% minimum tax on the adjusted financial statement income (AFSI) of large corporations for taxable years beginning after Dec. 31, 2022. The CAMT generally applies to large corporations with average annual financial statement income exceeding \$1 billion.

Considering the challenges of determining CAMT liability, [Notice 2023-42](#) provides that the IRS will waive the penalty for a corporation's estimated income tax with respect to its CAMT for a taxable year that begins after Dec. 31, 2022, and before Jan. 1, 2024.

Among other things, today's notice provides a list of financial statements that meet the definition of an applicable financial statement (AFS) as well as priority rules for identifying a taxpayer's AFS.

The guidance also provides general rules for determining a taxpayer's financial statement income and AFSI, including when the taxpayer's financial results are reported on a consolidated financial statement.

Finally, the notice includes guidance on when corporations are subject to CAMT, CAMT foreign tax credits, tax consolidated groups, foreign corporations, depreciable property, wireless spectrum, duplications and omissions of certain items, and financial statement net operating losses.

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