



TaxNewsFlash

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Notice 2023-7: Interim guidance on new corporate alternative minimum tax (CAMT)

The IRS today released an advance version of [Notice 2023-7](#) [PDF 248 KB] (50 pages), providing taxpayers with interim guidance on the new corporate alternative minimum tax (CAMT) created by Pub. L. No. 117-169 (commonly called the “Inflation Reduction Act of 2022” (IRA)), which is effective for tax years beginning after December 31, 2022.

Notice 2023-7 provides that until the issuance of forthcoming proposed regulations, taxpayers may rely on the interim guidance regarding certain time-sensitive issues provided in sections 3 through 7 of the notice:

- Section 3 describes rules that address certain issues under the CAMT regarding Subchapters C and K of chapter 1 of the Code, troubled corporations, and affiliated groups of corporations that join in filing (or that are required to join in filing) a consolidated return.
- Section 4 describes rules that address certain CAMT issues with respect to the depreciation of property to which section 168 applies.
- Section 5 describes a safe harbor method for determining whether a corporation is an “applicable corporation” subject to the CAMT.
- Section 6 describes rules that address issues regarding the treatment of certain federal income tax credits under the CAMT.
- Section 7 describes rules that address the determination of applicable corporation status in circumstances involving certain partnerships.

Today’s notice states that the Treasury Department and IRS intend to issue additional interim guidance to address other CAMT issues prior to the issuance of the forthcoming proposed regulations. Such additional interim guidance is expected to address, among other issues, certain issues related to the treatment under the CAMT of items that are marked-to-market for financial statement purposes (such as life insurance company separate account assets and certain financial products), the treatment of certain items reported in other comprehensive income (OCI), and the treatment of embedded derivatives arising from certain reinsurance

contracts. This additional interim guidance would be intended to help avoid substantial unintended adverse consequences to the insurance industry and certain other industries.

Section 9 of the notice requests comments on issues addressed in this notice as well as specific issues not so addressed.

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