

TaxNewsFlash

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Technical corrections to proposed regulations on corporate alternative minimum tax (CAMT)

The U.S. Treasury Department and IRS today released [technical corrections](#) to proposed regulations relating to the corporate alternative minimum tax (CAMT), which were published in the Federal Register on September 13, 2024. Read [TaxNewsFlash](#)

The technical corrections correct various errors and misstatements in the proposed regulations, including:

- Restating and modifying the special rules for applying the average annual AFSI test to members joining or leaving a corporation's test group.
- Making changes to the simplified method for determining applicable corporation status to account for the AFSI adjustment for tax-exempt entities (i.e., in applying the simplified method, the UBTI adjustment provided by section 56A(c)(12) (and Prop. Treas. Reg. sec. 1.56A-14) is taken into account).
- Making a number of changes to the corporate rules, expanding situations in which CAMT basis (rather than AFS (or book) basis) is relevant and clarifying that certain section 351 transactions with boot will be treated as covered nonrecognition transitions. A number of examples, notably Proposed Treas. Reg. § 1.56A-19(g)(6)(iv) (Example 4), are also corrected.
- Fixing numerous minor mistakes, including inaccurate date and section references.

The technical corrections are notable for what changes were not made, including a number of changes taxpayers have been hoping for. Notably, no changes were made to either the definition of section 168 property to include construction in progress (CIP) property, or to the proposed applicability and reliance dates.

The Treasury Department and IRS are still accepting comments on the proposed regulations, having previously extended the deadline from December 12, 2024, to January 16, 2025. Read [TaxNewsFlash](#)

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