



TaxNewsFlash

United States

No. 2026-041
February 18, 2026

Notice 2026-7: Additional interim guidance on application of CAMT

The IRS today released [Notice 2026-7](#) providing additional interim guidance regarding the application of the corporate alternative minimum tax (CAMT).

Prior to the publication of any final regulations relating to the CAMT, Treasury and the IRS intend to issue proposed regulations (forthcoming proposed regulations) that are anticipated to include rules similar to the interim guidance provided in sections 3 through 10 of today's notice (described below), as well as to the interim guidance previously provided in Notice 2025-27 ([read TaxNewsFlash](#)), Notice 2025-28 ([read TaxNewsFlash](#)), Notice 2025-46, and Notice 2025-49 ([read TaxNewsFlash](#)).

- Section 3 of today's notice modifies the interim guidance provided in section 4 of Notice 2025-49 and addresses an adjustment to adjusted financial statement income (AFSI) for tax-deductible repairs with respect to section 168 property.
- Section 4 modifies the interim guidance provided in section 9 of Notice 2025-49 and addresses an adjustment to AFSI for section 197 amortization attributable to certain intangibles.
- Section 5 addresses an adjustment to AFSI for amortization of domestic research or experimental (R&E) expenditures.
- Section 6 addresses an adjustment to AFSI for certain production costs attributable to film, television, live theatrical, and sound recording productions.
- Section 7 addresses an adjustment to AFSI for certain low acquisition cost tangible property treated as materials and supplies.
- Section 8 clarifies and modifies the interim guidance for financially troubled companies provided in section 4 of Notice 2025-46.
- Section 9 modifies the anti-abuse rule in Prop. Treas. Reg. § 1.56A-4 that would apply to certain covered asset transactions.
- Section 10 addresses certain CAMT consequences of transactions involving intangible property subject to section 367(d).

Notice 2026-7 states that the forthcoming proposed regulations will be proposed to apply to tax years beginning on or after the date the regulations are finalized, but taxpayers generally may rely on the guidance in Notice 2026-7 for tax years beginning before that date (subject to certain consistency and other requirements).

A KPMG report with initial impressions and analysis of the guidance in Notice 2026-7 will soon be provided in a follow-up edition of *TaxNewsFlash*.

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)