

IRM PROCEDURAL UPDATE

DATE: 05/23/2024

NUMBER: ts-21-0524-0678

SUBJECT: Form 4626 New CAMT Procedures

AFFECTED IRM(s)/SUBSECTION(s): 21.7.4

CHANGE(s):

IRM 21.7.4.4.7.2 Changes throughout updating guidance on new Corporate Alternative Minimum Tax (CAMT) reported on Form 4626 per amended IRC 55 due to the Inflation Reduction Act of 2022.

(1) TCJA Section 12001 repealed the corporate AMT for tax years beginning after 2017. See IRM 21.7.4.4.9.3.2, *Repeal of Alternative Minimum Tax (AMT), and Repeal of Corporate AMT Sequestration*, for more information. For additional information on corporate AMT prior to 2018, see previous revisions of this IRM.

(2) The Inflation Reduction Act of 2022 amended IRC 55 to create a new Corporate Alternative Minimum Tax (CAMT) which imposes a 15% minimum tax on the adjusted financial statement income (AFSI) of applicable large corporations under IRC 59(k) for taxable years beginning after Dec. 31, 2022. Form 4626, *Alternative Minimum Tax – Corporations*, is used to determine whether a corporation is an applicable corporation under IRC 59(k) and to calculate CAMT under IRC 55 for applicable corporations.

Note: S corporations, regulated investment companies (RIC), and real estate investment trusts (REIT) are not subject to CAMT.

(3) An applicable corporation under IRC 59(k) is any corporation that satisfies the AFSI test for one or more tax years which are prior to the current tax year and which end after December 31, 2021. A corporation meets the general AFSI test for that tax year when the corporation's average annual AFSI for the 3-tax-year period ending with the tax year exceeds \$1 billion.

Note: All AFSI of members of a controlled group is included in the AFSI of the corporation for AFSI test purposes.

(4) For the first tax year beginning after December 31, 2022, a corporation may choose to apply the safe harbor method (simplified method) for purposes of determining whether it is an applicable corporation. See Notice 2023-7, section 5, for additional information. If a corporation has been in existence for less than 3 tax years of the 3-tax-year period, the AFSI test is applied by averaging the tax years of

the 3-tax-year period during which the corporation existed. AFSI for any tax year of fewer than 12 months shall be annualized by multiplying the AFSI for the short period by 12 and dividing the result by the number of months in the short period.

Note: See Form 4626 Instructions for additional information on ASFI and the ASFI test applicable to Foreign-Parented Multinational Groups (FPMG) (FPMG ASFI Test).

(5) CAMT applies if the tentative minimum tax for the tax year exceeds the sum of the regular income tax plus the base erosion minimum tax (imposed under IRC 59A). The tentative minimum tax for the tax year is the excess of 15% of AFSI for the tax year, over the CAMT Foreign Tax Credit (FTC) for the tax year. For any corporation that is not an applicable corporation, the tentative minimum tax for the tax year is zero. See Form 4626 and the Form 4626 instructions for additional information on calculating CAMT.

(6) A corporation may take a credit against regular tax for alternative minimum tax (including CAMT) incurred in prior years. See Form 8827, Credit for Prior Year Minimum Tax—Corporations, for details.

(7) Item Reference Number (IRN) 905 is input to adjust CAMT on the master file. A new field on entity module BMFOLE and ENMOD display TCAMT for a sum total of CAMT, which updates anytime a new return with CAMT or an adjustment with IRN 905 is input.

(8) Action:

- Math verify Form 4626
- Input IRN 905 to increase or decrease CAMT

IRM 21.7.4.4.8.3.5(14) Updated IDRS number for reassignment of CII cases from 0444281365 to 0445160144.

(14) For corporations, partnerships, S corporations, and amended Forms 1041 - Employees follow procedures in IRM 21.5.3-2, for suspending Form 6765, or Form 3800 Research Credit Claims to CAT-A. See the chart below for routing procedures.

If received	Then
In site other than Ogden	Prepare a Form 3210 Transmittal, and route to: Ogden Accounts Management, Mail Stop OSC 6755 For CII cases, reassign to 0445160144
In Ogden	For all Research Credit Claims in CII, reassign to 0444281365 Note: If a Large Corp Indicator (LCI) is on the account, the Research Credit Claim SME will coordinate the processing

	of the claim with Large Corp.
In Ogden BMFX Returns, the Research Credit Claim SME	Suspends the claim to CAT-A using the following reasons: <ul style="list-style-type: none"> • LM = CII: HQ Reserve 5 • SB = CII: Research Credit

IRM 21.7.4.4.8.3.9(16) Updated Form 8835 Renewable Electricity Production Credit carryback information from one year to three years per IRC 6417(b).

(16) Under IRC 6417(b), any unused portion of the renewable electricity production credit (under IRC 45(a)) remaining after the tax is reduced to zero can be carried back three years to reduce taxes for prior years and then carried forward 20 years. See IRM 21.7.4.4.8.1.4, *Carryback/Carryforward of Excess Credit*, for tax years beginning prior to 1998.