

## Treasury, IRS issue additional interim guidance on corporate AMT

The Treasury Department and Internal Revenue Service issued additional interim guidance (Notice 2023-64) on September 12 that is intended to help corporations determine whether they are subject to the new corporate alternative minimum tax (CAMT) and how to compute the tax.

**URL:** <https://www.irs.gov/pub/irs-drop/n-23-64.pdf>

Under the corporate AMT, which was enacted in the Inflation Reduction Act of 2022 (P.L. 115-169), “applicable large corporations”—generally defined as those with average annual adjusted financial statement income exceeding \$1 billion—are subject to a 15 percent minimum tax on their adjusted financial statement income for taxable years beginning after December 31, 2022. The legislation provides that estimated income tax payments are required in four installments of 25 percent of a taxpayer’s required annual payment. (A detailed discussion of the corporate AMT is available from Deloitte Tax LLP.)

**URL:** <https://www.taxnotes.com/research/federal/legislative-documents/public-laws-and-legislative-history/inflation-reduction-act-of-2022-%28p.l.-117-169%29/7dybc>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/dttl-tax-alert-us-10-august-2022.pdf>

### Overview of interim guidance

Notice 2023-64 provides rules for determining a taxpayer’s applicable financial statement (AFS) and adjusted financial statement income (AFSI). In addition, Notice 2023-64 provides guidance on when corporations are subject to CAMT, CAMT foreign tax credits, tax consolidated groups, foreign corporations, AFSI adjustments for depreciable property, the definition of wireless spectrum, duplications and omissions of certain items, and financial statement net operating losses.

Treasury and the IRS intend to publish proposed regulations regarding application of CAMT that would include proposed rules consistent with Notice 2023-64 and with the interim guidance provided in Notice 2023-7 (as modified and clarified by Notice 2023-64) and Notice 2023-20 (collectively, the CAMT notices). It is anticipated that the forthcoming proposed regulations would apply for taxable years beginning on or after January 1, 2024. A taxpayer may rely on the interim guidance in the CAMT notices for any taxable year that begins before January 1, 2024, and, if applicable, for taxable years ending on or before the date forthcoming proposed regulations are published in the Federal Register.

**URL:** <https://www.irs.gov/pub/irs-drop/n-23-07.pdf>

**URL:** <https://www.irs.gov/pub/irs-drop/n-23-20.pdf>

Given the challenges facing taxpayers in determining CAMT liability, the IRS announced in June (Notice 2023-42) that it will waive the penalty for a corporation’s failure to pay estimated income tax with respect to its CAMT liability for a taxable year that begins after December 31, 2022, and before January 1, 2024.

**URL:** <https://www.irs.gov/pub/irs-drop/n-23-42.pdf>

### More discussion to follow

Additional details on Notice 2023-64 will be provided in a forthcoming alert from Deloitte Tax.

Previous Deloitte Tax alerts on the CAMT address the interim guidance in Notice 2023-7, the interim guidance in Notice 2023-20, and the temporary penalty relief in Notice 2023-42 for corporations that do not pay estimated tax related to their CAMT liability.

[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230106\\_3\\_supplA.pdf](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230106_3_supplA.pdf)

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[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230609\\_3\\_supplA.pdf](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230609_3_supplA.pdf)

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