

IRS News Release

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IRS Clarifies AMT Deduction for Home Mortgage Interest

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WASHINGTON — Qualified housing interest, which generally is deductible for alternative minimum tax purposes, includes interest paid on a mortgage that has been refinanced more than once, the Internal Revenue Service confirmed today.

In Revenue Ruling 2005-11, the IRS stated that interest paid on a loan that is refinanced more than once will retain its status as qualified housing interest, to the extent that the amount of the loan is not increased.

This ruling may affect the amount some taxpayers report as a home mortgage interest adjustment on Form 6251, Alternative Minimum Tax--Individuals. The instructions for Form 6251 include a worksheet to help taxpayers determine the correct home mortgage interest adjustment. As clarified by Revenue Ruling 2005-11, a taxpayer should include in the worksheet calculation as interest paid on a mortgage whose proceeds were used to refinance an eligible mortgage, qualified housing interest on a mortgage that previously was refinanced. Revised instructions to Form 6251 to reflect this clarification will be posted shortly on the IRS Web site, [IRS.gov](http://irs.gov)

Revenue Ruling 2005-11 and Form 6251 are available on the IRS Web site. The revenue ruling will also appear in Internal Revenue Bulletin 2005-14, dated April 4, 2005.

Links:

- Revenue Ruling 2005-11 — <http://www.irs.gov/pub/irs-drop/rr-05-11.pdf>
- Form 6251, Alternative Minimum Tax--Individuals — <http://www.irs.gov/pub/irs-pdf/f6251.pdf>