

Computation of Minimum Tax—Individuals

1982
 29

▶ See instructions on back.
 ▶ Attach to Form 1040.

Name(s) as shown on Form 1040	Your social security number
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File this form if your tax preference items (line 2) are more than \$10,000 (\$5,000 if you are married filing separately) even though you owe no minimum tax, **OR** if you have minimum tax deferred from an earlier year.

1 Tax preference items for minimum tax:			
(a) Accelerated depreciation on real property—			
(1) Low-income rental housing (167(k))	1a(1)		
(2) Other nonrecovery real property or 15-year real property	1a(2)		
(b) Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property	1b		
(c) Amortization	1c		
(d) Reserves for losses on bad debts of financial institutions	1d		
(e) Depletion	1e		
(f) Intangible drilling costs	1f		
2 Total tax preference items. Add lines 1(a) through 1(f)	2		
3 Amount from Form 1040, line 50*	3		
4 Tax from recapture of investment credit (from Form 1040, line 54)	4		
5 Tax on premature redemption of Individual Retirement Bond(s) (from Form 5329, line 11)	5		
6 Add lines 3 through 5	6		
7 Enter the larger of: (a) one-half of the amount on line 6, or (b) \$10,000 (\$5,000 if you are married filing separately)	7		
8 Subtract line 7 from line 2 (If line 7 is more than line 2, enter zero)	8		
9 Multiply amount on line 8 by 15%	9		
10 1982 net operating loss carryover to 1983 (attach computation)	10		
11 Multiply amount on line 10 by 15%	11		
12 Deferred minimum tax. Enter the amount from line 9 or line 11, whichever is smaller	12		
13 Minimum tax. Subtract line 12 from line 9	13		
14 Enter minimum tax deferred from earlier years to 1982 (attach computation)	14		
15 Total minimum tax. Add lines 13 and 14	15		
16 Excess tax credits. If Form 1040, line 50, is more than zero, skip this line and enter the amount from line 15 on line 18.			
(a) Credit for the elderly	16a		
(b) Credit for political contributions	16b		
(c) Credit for child care expenses	16c		
(d) Residential energy credits	16d		
17 Add lines 16(a) through 16(d)	17		
18 Subtract line 17 from line 15. If line 17 is more than line 15, enter zero. Enter here and on Form 1040, line 52	18		

*Do not include any tax from Form 4970, Form 4972, Form 5544, or any penalty tax under sec. 72(m)(5).

Instructions

(Section references are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose.—A minimum tax applies to certain items that receive preferential tax treatment. These tax preference items are listed on line 1.

For more information, see **Publication 909**, Minimum Tax and Alternative Minimum Tax.

Line 1. Tax Preference Items.—*Special Rules:* Section 58 explains these rules in more detail.

- If a tax preference item did not result in a tax benefit, adjust the amount you show on line 1 and attach your computation.

- Generally, include tax preference items attributable to foreign sources only to the extent that they reduce your income tax (except minimum tax) on income from U.S. sources.

- Partners share a partnership's tax preference items in the same proportion that they share its income and deductions. Partners who elected the optional adjustment to basis (section 743) adjust the corresponding tax preference items accordingly.

- Beneficiaries of an estate or trust see section 58(c).

- Shareholders of an electing small business corporation divide its tax preference items the same way they divide its net operating loss.

- Participants in a common trust fund prorate its tax preference items.

- Shareholders or holders of a beneficial interest in a regulated investment company or real estate investment trust share the company's or trust's tax preference items (except line 1(a) by a real estate investment trust) in the same proportion that the dividends paid to them bear to the company's or trust's taxable income (before its deduction for those dividends).

Lines 1(a) and (b). Accelerated depreciation on real property; Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property.—If you use the Class Life Asset Depreciation Range (CLADR)

System, use the asset guideline period as the straight-line useful life to figure lines 1(a) and (b).

For (a) but not (b), use any variance in useful life under section 167(m)(1) as the straight-line useful life.

Line 1(a).—For property other than recovery property, enter on the appropriate line(s), the amount you get (never less than zero) by subtracting the depreciation that would have been allowable for the year if you had used the straight-line method, from the depreciation actually allowable. Figure this amount separately for each property.

Include in line 1(a)(2), accelerated depreciation on 15-year real property. Enter the amount by which the deduction allowed under section 168(a) is more than the deduction which would have been allowable had the property been depreciated using a 15-year period and the straight-line method without salvage value.

Line 1(b).—For property other than recovery property, enter the amount you get (never less than zero) by subtracting the depreciation that would have been allowable for the year if you had used the straight-line method, from the depreciation actually allowable. Figure this amount separately for each property.

For recovery property other than 15-year real property, enter the amount by which your deduction under section 168(a) is more than the deduction allowable using the straight-line method with a half-year convention, no salvage value, and the following recovery period:

3 year property.....	5 years
5 year property.....	8 years
10 year property.....	15 years
15 year public utility property.....	22 years

Line 1(c). Amortization.—For amortization of certain rehabilitation expenditures for certified historic structures, certified pollution control facilities, on-the-job training facilities, and child care facilities; enter the amount by which the amortization you took for 1982 is more than the depreciation deduction otherwise allowable. (For certified historic structures, this can only be straight-line method.) If you use the CLADR System, use the property's asset guideline period, including any variance in useful life, as its useful life in figuring the depreciation deduction otherwise allowable.

Line 1(d). Reserves for losses on bad debts of financial institutions.—Enter your share of the excess of the addition to the reserve for bad debts over the reasonable addition to the reserve for bad debts that would have been allowable if you had maintained the bad debt reserve for all tax years based on actual experience.

Line 1(e). Depletion.—Enter the result of the following: From the depletion deduction allowable under section 611 (including percentage depletion for geothermal deposits) subtract the property's adjusted basis at the end of the year. Figure the adjusted basis without regard to the depletion deduction for the tax year, and figure the excess separately for each property. Do not enter less than zero.

Line 1(f). Intangible drilling costs.—Intangible drilling costs are a tax preference item to the extent that the excess intangible drilling costs are more than your net income from oil, gas, and geothermal properties.

Figure excess intangible drilling costs as follows: From the allowable intangible drilling and development costs (except for costs in drilling a nonproductive well), subtract the amount that would have been allowable if you had capitalized these costs and either amortized them over the 120 months that started when production began, or treated them according to any election you made under section 57(d)(2).

Your net income from oil, gas, and geothermal properties is your gross income from them, minus the deductions allocable to them, except for excess intangible drilling costs and nonproductive well costs.

Figure the line 1(f) amount separately for oil and gas properties which are not geothermal deposits and for all properties which are geothermal deposits.

Line 7. Adjustment in exclusion.—If this is a short-period return use the formula in section 443(d)(2) to determine the adjustment in exclusion for figuring the minimum tax on tax preference items.

Line 14. Minimum tax deferred from earlier year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1982, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible on line 14 as tax liability for 1982. Figure the deferred minimum tax at 15%. See section 56(b).

Line 16. Excess tax credits.—If Form 1040, line 50, is zero, you may be able to claim any unused part of certain credits against your minimum tax. Apply the credits in the order listed on this form. For example, if Form 1040, line 50 is zero after using the credit for the elderly and part of the credit for political contributions to figure that line, enter the balance of the credit for political contributions, credit for child care expenses, and residential energy credits on Form 4625, line 16.