

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1041 or 990-T (Trust).

Name(s) as shown on tax return	Identifying number	
1 Adjusted gross income from Form 1040, line 32 (estates and trusts—see instructions)		1
2 Deductions (applies to individuals only):		
a Enter amount from Form 1040, line 33	2a	
b On your 1979 Form 1040, if you checked Filing Status box <div style="display: inline-block; vertical-align: middle; border-left: 1px solid black; border-right: 1px solid black; padding: 0 5px; margin-left: 10px;"> { 2 or 5, enter \$3,400 1 or 4, enter \$2,300 3, enter \$1,700 . . . } </div>	2b	
c Multiply \$1,000 by the total number of exemptions on Form 1040, line 7	2c	
d Add lines 2a through 2c (estates and trusts, enter zero)		2d
3 Subtract line 2d from line 1		3
4 Tax preference items:		
a Adjusted itemized deductions	4a	
b Capital gain deduction	4b	
c Add lines 4a and 4b		4c
5 Alternative minimum taxable income (add lines 3 and 4c)		5
6 Enter \$20,000 (\$10,000 if married filing separately, or an estate or trust)		6
7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form		7
8 Enter the smaller of line 7 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	8	
9 Subtract line 8 from line 7	9	
10 Enter the smaller of line 9 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	10	
11 Subtract line 10 from line 9	11	
12 Enter 10% of line 8	12	
13 Enter 20% of line 10	13	
14 Enter 25% of line 11	14	
15 Add lines 12, 13 and 14		15
16 Amount from Form 1040, line 47* (estates and trusts—see instructions)	16	
17 Minimum tax from Form 1040, line 49a (estates and trusts—see instructions)	17	
18 Tax from recomputing prior-year investment credit (from Form 1040, line 50) (estates and trusts—see instructions)	18	
19 Tax from recomputing prior-year work incentive (WIN) credit	19	
20 Add lines 16 through 19		20
21 Alternative minimum tax (subtract line 20 from line 15). If zero or less, do not complete the rest of this form		21
22 Foreign tax credit (see instructions)		22
23 Subtract line 22 from line 21. Enter here and on Form 1040, line 49b (estates and trusts—see instructions)		23

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

Instructions

(Section References are to the Internal Revenue Code)

Purpose of Form

If you are an individual, you may be liable for the alternative minimum tax if the sum of Form 1040, line 34, plus your tax preference items for excluded capital gains and adjusted itemized deductions is more than \$23,300 (\$12,700 if married filing separately).

An estate or trust may be liable if the sum of taxable income plus tax preference items for excluded capital gains and adjusted itemized deductions is more than \$10,000.

Complete Form 6251 to see if you are liable for the alternative minimum tax, but you need not attach a copy of the form if you are not liable.

Line 1

Individuals—enter your adjusted gross income from Form 1040, line 32.

Estates and trusts—enter the taxable income from Form 1041, line 26, or Form 990-T, page 1, line 5, or page 2, line 33.

Note: Line 1 and line 3 can be less than zero. However, when you figure lines 1 and 2, you cannot include a deduction for any loss or expense allowable in figuring a net operating loss that can be carried back or forward.

If you used Schedule TC, Part II, enter the amount from line 5 of that Part on line 1 of Form 6251 instead of the amount from Form 1040, line 32. If you entered your earned income on Schedule TC, Part II, line 3, contact an Internal Revenue Service office.

Line 4a

Adjusted Itemized Deductions

If you are an individual—

Step 1.—Subtract from your total itemized deductions (Schedule A (Form 1040), line 39):

- (1) medical and dental expenses (Schedule A (Form 1040), line 10),
- (2) State, local, and foreign taxes (Schedule A (Form 1040), line 16),
- (3) casualty and theft losses (Schedule A (Form 1040), line 29), and
- (4) any deduction for estate tax allowable under section 691(c).

Step 2.—Subtract from your adjusted gross income (Form 1040, line 32), the items in (1) through (4) of step 1.

Step 3.—Multiply step 2 by 60%.

Step 4.—Subtract step 3 from step 1. Enter the result on line 4a. If less than zero, enter zero.

If an estate or trust—

Step 1.—Add all deductions other than:

- (1) those allowable in figuring adjusted gross income,
- (2) the deduction for personal exemption,
- (3) the deduction for casualty and theft losses,
- (4) the deduction for State, local, and foreign taxes,
- (5) the deduction allowed for distributions to beneficiaries,
- (6) the charitable deduction allowable to a trust to the extent that a corresponding amount is included in the gross income of the beneficiary of the trust, and

(7) any deduction for estate tax allowable under section 691(c).

Step 2.—Subtract from adjusted gross income the items in (2) through (7) of step 1.

Step 3.—Multiply step 2 by 60%.

Step 4.—Subtract step 3 from step 1. Enter the result on line 4a. If less than zero, enter zero.

Note: Adjusted gross income for an estate or trust is figured in the same way as for an individual except that the following items are allowed in figuring adjusted gross income:

- (1) the costs of administration of the estate or trust; and
- (2) the charitable deduction to the extent provided in section 57(b)(2)(C).

Line 4b

Capital Gain Deduction

If you are an individual—

Enter:

- (1) The amount from Schedule D (Form 1040), line 22a or 31;
- (2) The amount from Form 4798, Part I, line 10a, if you report a pre-1970 capital loss carryover;
- (3) 60% of capital gain distributions if you did not use Schedule D or Form 4798.

Note: Do not include as a tax preference item the capital gain deduction attributable to a sale or exchange of a personal residence.

If an estate or trust—

Enter the capital gain deduction taken into account on Form 1041 or 990-T. However, an amount paid or permanently set aside for a charitable purpose is not a tax preference item.

Line 16

Estates and trusts—enter the amount from Form 1041, line 32, or Form 990-T, page 1, line 25.

Line 17

Estates and trusts—enter the amount from Form 1041, line 34, or Form 990-T, page 1, line 28.

Line 18

Estates and trusts—enter the amount from Form 1041, line 33, or Form 990-T, page 1, line 26.

Line 22

Foreign Tax Credit

If line 21 is greater than zero, and you have incurred foreign taxes and properly elect to take such foreign taxes as a credit, enter on line 22 the amount of foreign tax credit allowed against the alternative minimum tax. Figure this credit on a separate Form 1116 (not the Form 1116 you used to compute the credit on Form 1040, line 42), as follows:

- (1) Use a separate Form 1116 for each type of income specified at the top of Form 1116.
- (2) Print across the top of each Form 1116 used: "ALT MIN TAX."

(3) Schedule A and Schedule C—Use your alternative minimum taxable income and items of gross income and deductions used in determining alternative minimum taxable income.

(4) Schedule C—

- (a) Skip lines 1 to 3.
- (b) Insert on line 4 the result of the following:
 - (i) the amount from Schedule C, line 4 of the Form 1116 used to figure the amount on line 42 of Form 1040, minus
 - (ii) the amount from Schedule C, line 16 of that Form 1116, plus
 - (iii) the lesser of (A) the amount from Schedule C, line 16 of that Form 1116, or (B) Form 6251, line 21 (or if more than one Form 1116 is being used for different types of income, an allocable portion of Form 6251, line 21).

- (c) Complete lines 5 through 7, substituting alternative minimum taxable income for taxable income on line 5.
 - (d) Skip lines 8 and 9.
 - (e) Line 10—Enter amount from Form 6251, line 5.
 - (f) Complete line 11 as indicated on Schedule C.
 - (g) Line 12—Enter amount from Form 6251, line 15.
 - (h) Skip lines 13 and 14.
 - (i) Line 15—Multiply line 12 by line 11.
- (5) Schedule D—Enter on line 22, Form 6251, the amount from line 7, Schedule D of this Form 1116 (but not more than the amount on Form 6251, line 21).

Line 23

If you are filing Form 1041, enter the amount from this line on Form 1041, line 35.

If you are filing Form 990-T, enter the amount from this line on Form 990-T, page 1, line 29.

Limitations on Amounts Treated as Tax Preference Items in Certain Cases.—See section 58(h) for limitations where the tax preference item did not result in a tax benefit. If limitations apply, attach a schedule showing computation.

Partners, Beneficiaries of Estates and Trusts, etc.

If you are a partner—

You must take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items. If you are a partner and have elected the optional adjustment to basis (see section 743), adjust the tax preference items that apply to reflect the election.

If you are a—

- (1) Beneficiary of an estate or trust, see section 58(c).
- (2) Shareholder of an electing small business corporation, see section 58(d).
- (3) Participant in a common trust fund, see section 58(e).
- (4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).