

Alternative Minimum Tax Computation

▶ See instructions on back
 ▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

Name(s) as shown on tax return

Identifying number

1 Adjusted gross income from Form 1040, line 32 or Form 1040NR, line 33 (estates and trusts—see instructions)			1	
2 Deductions (applies to individuals only):				
a Enter amount from Form 1040, line 33 or Form 1040NR, line 37	2a			
b On your 1980 Form 1040, if you checked Filing Status box { 2 or 5, enter \$3,400 1 or 4, enter \$2,300 3, enter \$1,700 }	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 Add lines 16 through 18			19	
20 Alternative minimum tax (subtract line 19 from line 15). If zero or less, do not complete the rest of this form; otherwise file this form with your tax return			20	
21 Foreign tax credit (see instructions)			21	
22 Subtract line 21 from line 20. Enter here and on Form 1040, line 49b (estates and trusts—see instructions)			22	

*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

Use this form to see whether you are liable for the alternative minimum tax. If line 20 shows an amount that is more than zero, attach a copy with your income tax return even if line 22 is zero.

An individual may be liable for the alternative minimum tax if the total of Form 1040, line 34 and 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 total of taxable income and tax preference items for excluded capital gains and adjusted itemized deductions is more than \$10,000.

Line-by-Line Instructions

Line 1

Do not include in line 1 any alcohol fuel credit included in income.

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 or had an entry on Form 1040NR, line 38, enter the amount from line 5 of Schedule TC or line 39 of Form 1040NR on line 1 of Form 6251 instead of the amount from Form 1040, line 32 or Form 1040NR, line 33. If you entered your earned income on Schedule TC, Part II, line 3, contact an Internal Revenue Service office.

Estates and trusts.—Enter the taxable income from Form 1041, line 25, or Form 990-T, page 1, line 5, or page 2, line 33.

Line 4a

Adjusted Itemized Deductions Individuals—

Step 1.—Subtract the following 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. The result cannot be less than zero.

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.

Estates and Trusts—

Step 1.—Add all deductions except:

- (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 (3) through (7) of step 1. The result cannot be less than zero.

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

Individuals—

Enter one of the following:

- (1) The amount from Schedule D (Form 1040), line 20a;
- (2) The amount from Form 4798, Part I, line 8a, 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 principal residence.

Estates and Trusts—

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.

Lines 5 and 15

Adjustment of Alternative Minimum Taxable Income and Alternative Minimum Tax.—If this is a short period return, use the formula in section 443(d)(1) to determine the amount to enter on these lines.

Line 16

Estates and trusts.—Enter the amount from Form 1041, line 31, or Form 990-T, page 1, line 11.

Line 17

Estates and trusts.—Enter the amount from Form 1041, line 33, or Form 990-T, page 1, line 13.

Line 18

Estates and trusts.—Enter the amount from Form 1041, line 32, or Form 990-T, page 1, line 12.

Line 21

Foreign Tax Credit

If line 20 is more than zero, and you have incurred foreign taxes and elect to take them as a credit, enter on line 21 the amount of foreign tax credit allowed against the alternative minimum tax. Use a separate Form 1116 to figure this credit. Do not use the Form 1116 you used to figure the credit on Form 1040, line 42. Figure this credit as follows:

- (1) Use and attach 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) **Part I.**—Use your alternative minimum taxable income from sources outside the U.S. and items of gross income and deductions used in determining alternative minimum taxable income from sources outside the U.S. Part II need not be completed.

(4) **Part III.**—

- (a) Skip lines 1 to 4.
- (b) Insert on line 5 the result of the following:
 - (i) the amount from Part III, line 5 of the Form 1116 used to figure the amount on line 42 of Form 1040, minus
 - (ii) the amount from Part III, line 17 of that Form 1116, plus
 - (iii) the smaller of (A) the amount from Part III, line 17 of that Form 1116, or (B) Form 6251, line 20 (or if more than one Form 1116 is being used for different types of income, an allocable portion of Form 6251, line 20).
- (c) Complete lines 6 through 8, substituting alternative minimum taxable income from sources outside the U.S. for taxable income from sources outside the U.S. on line 6.
 - (d) Skip lines 9 and 10.
 - (e) Line 11—Enter the amount from Form 6251, line 5.
 - (f) Complete line 12 as indicated in Part III.
 - (g) Skip lines 13 and 14.
 - (h) Line 15—Enter the sum of Form 6251, lines 16, 18 and 20.
 - (i) Complete lines 16 and 17 as indicated in Part III.

(5) **Part IV.**—

Enter on line 21, Form 6251, the amount from line 7, Part IV of this Form 1116 (but not more than the amount on Form 6251, line 20).

For more information on how to figure this credit, see Publication 525, Taxable and Nontaxable Income.

Line 22

Estates and Trusts—

If you are filing Form 1041, enter the amount from this line on Form 1041, line 34. If you are filing Form 990-T, enter the amount from this line on Form 990-T, page 1, line 14.

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).