

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Part I Net Minimum Tax on Exclusion Items

1	Enter the amount from line 4 of your 1992 Form 6251. Form 1041 filers, see instructions.	1		
2	Enter adjustments and preferences treated as exclusion items. See instructions.	2		
3	Minimum tax credit net operating loss deduction. See instructions.	3	()
4	Combine lines 1, 2, and 3. If zero or less, enter -0- here and on line 15 and go to Part II. If more than \$155,000 and you were married filing separately for 1992, see instructions.	4		
5	Enter the amount from line 12 of your 1992 Form 6251. Form 1041 filers, enter \$20,000.	5		
6	Enter the amount from line 13 of your 1992 Form 6251. Form 1041 filers, enter \$75,000.	6		
7	Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9.	7		
8	Multiply line 7 by 25% (.25).	8		
9	Subtract line 8 from line 5. If zero or less, enter -0-. If completing for a child under 14, see instructions.	9		
10	Subtract line 9 from line 4. If zero or less, enter -0- here and on line 15, and go to Part II.	10		
11	Multiply line 10 by 24% (.24). Form 1040NR filers, see instructions.	11		
12	Minimum tax foreign tax credit on exclusion items. See instructions.	12		
13	Tentative minimum tax on exclusion items. Subtract line 12 from line 11.	13		
14	Enter the amount from line 21 of your 1992 Form 6251, or line 38c of 1992 Form 1041, Schedule H.	14		
15	Net minimum tax on exclusion items. Subtract line 14 from line 13. If zero or less, enter -0-	15		

Part II Minimum Tax Credit and Carryforward to 1994

16	Enter the amount from line 22 your of 1992 Form 6251, or line 39 of your 1992 Form 1041, Schedule H.	16		
17	Enter the amount from line 15 above.	17		
18	Subtract line 17 from line 16. If less than zero, enter as a negative amount.	18		
19	1992 minimum tax credit carryforward. Enter the amount from line 26 of your 1992 Form 8801.	19		
20	Enter your 1992 unallowed credit for fuel produced from a nonconventional source, plus your 1992 unallowed orphan drug credit. See instructions.	20		
21	Combine lines 18, 19, and 20. If zero or less, stop here and see instructions.	21		
22	Enter your 1993 regular income tax liability minus allowable credits. See instructions.	22		
23	Enter the amount from line 26 of your 1993 Form 6251, or line 37 of your 1993 Form 1041, Schedule H.	23		
24	Subtract line 23 from line 22. If zero or less, enter -0-.	24		
25	Minimum tax credit. Enter the smaller of line 21 or line 24. Also enter this amount on the appropriate line of your 1993 tax return. See instructions.	25		
26	Minimum tax credit carryforward to 1994. Subtract line 25 from line 21. See instructions.	26		

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 1 hr., 33 min.
- Learning about the law or the form** 1 hr., 3 min.
- Preparing the form** 1 hr.
- Copying, assembling, and sending the form to the IRS** 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from

you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Form 8801 is used by individuals, trusts, and estates to compute the minimum tax credit, if any, for alternative minimum tax (AMT) incurred in prior tax years after 1986. The form is also used to figure any minimum tax credit carryforward that may be used in future years.

Who Should File

Form 8801 should be completed by individuals, trusts, and estates that had:

- An AMT liability in 1992 and adjustments or preferences (other than exclusion items) in 1992;

- A minimum tax credit carryforward from 1992 to 1993; or
- A 1992 unallowed nonconventional source fuel credit or unallowed orphan drug credit (see the instructions for line 20).

Recordkeeping.—Use Form 8801 each year to see if you have a minimum tax credit and to keep track of any credit carryforward (see line 26 of your 1992 Form 8801).

Specific Instructions

The AMT is attributable to two types of adjustments and preferences— “deferral items” and “exclusion items.” The minimum tax credit is allowed only on the AMT attributable to deferral items.

Deferral items are generally adjustments and preferences that do not cause a permanent difference in taxable income over a number of years (e.g., depreciation). **Exclusion items**, on the other hand, cause a permanent difference in taxable income (e.g., the standard deduction).

Line 1—Form 1041 filers.—Skip lines 1 through 3 of Form 8801. Complete Parts I and II of another 1992 Form 1041, Schedule H. For Part I of Schedule H, take into account only exclusion items (the amounts included on lines 4e and 6d of Schedule H). On line 9b of Schedule H, use the minimum tax credit net operating loss deduction (MTCNOLD). However, do not limit the MTCNOLD to 90% of the amount on line 8 of Schedule H (see the instructions for line 3 below for how to compute the MTCNOLD). On Part II of Schedule H, do not take into account any basis adjustments arising from deferral items in completing lines 18 and 19. If the amount on line 12 of Schedule H is zero or less, enter zero on line 4 of Form 8801. Otherwise, enter the amount from line 12 of Schedule H, adjusted for exclusion items that were allocated to the beneficiary, on line 4 of Form 8801.

Line 2.—Enter on this line the adjustments and preferences treated as exclusions. Exclusion items are your AMT adjustments and preferences for: the standard deduction, itemized deductions (including any investment interest expense reported on Schedule E), the deduction for charitable contributions of appreciated property, certain tax-exempt interest, and depletion. Combine lines 5a through 5g and 6a through 6c of your 1992 Form 6251. Enter the amount on line 2.

Note: *If you included any of the exclusion items on a line other than those listed above, include that item in the amount to be entered on line 2. For example, if depletion was included on Form 6251 as an adjustment on line 5r (passive activity loss) instead of on line 6c (depletion), include it as an exclusion item when figuring the amount for line 2.*

Line 3—Minimum tax credit net operating loss deduction (MTCNOLD).—Your MTCNOLD is the aggregate of the minimum tax credit net operating loss (MTCNOL) carryovers and carrybacks to 1992. The MTCNOLD is not limited to 90% of alternative minimum taxable income (AMTI) computed by taking into account only exclusion items. Your MTCNOL is figured as follows:

For loss years beginning after 1986, your MTCNOL is the excess of the deductions allowed in computing AMTI (excluding the MTCNOLD), taking into account only exclusion items, over the income included in computing AMTI, taking into account only exclusion items. This excess is computed with the modifications in section 172(d), taking into account exclusion items (i.e., the section 172(d) modifications should be separately computed in figuring the MTCNOL).

For example, the limitation of nonbusiness deductions to the amount of nonbusiness income must be separately computed in figuring the MTCNOL using only nonbusiness income and deductions taking into account only exclusion items. However, ignore the disallowance of the deduction for personal exemptions under section 172(d)(3) because it has already been taken into account in computing AMTI using only exclusion items.

For loss years beginning before 1987, the amount of MTCNOL that may be carried forward to tax years beginning after 1986 is equal to the amount of regular tax NOL that may be carried from such loss years to the first tax year beginning after 1986.

To determine the amount of MTCNOL that may be carried to tax years other than 1992, apply sections 172(b)(2) and 172(d), with appropriate modifications to take into account exclusion items.

Line 4.—If your filing status was married filing separately for 1992 and line 4 is more than \$155,000, you must include an additional amount on line 4. If line 4 is \$235,000 or more, include an additional \$20,000 on line 4. Otherwise, include 25% of the excess of the amount on line 4 over \$155,000. For example, if the amount on line 4 is \$175,000, enter \$180,000 instead—the additional \$5,000 is 25% of \$20,000 (\$175,000 minus \$155,000).

Line 9.—If you are completing this form for a child who was under age 14 on January 1, 1993, and at least one of the child's parents was alive on December 31, 1992, do not follow the instructions on the form for line 9. Instead, if line 8 is equal to or more than line 5, enter zero. Otherwise, enter the smaller of (1) the amount by which line 5 exceeds line 8, or (2) the amount entered on line F of the worksheet for line 16 of the child's 1992 Form 6251.

Line 11.—If you filed Form 1040NR for 1992 and had a net gain on the disposition of U.S. real property interests, enter on line 11 the larger of (1) 21% of the net gain or (2) 24% of line 10. Otherwise, enter 24% of line 10.

Line 12—Minimum tax foreign tax credit on exclusion items.—Refigure your minimum tax foreign tax credit using only exclusion items attributable to sources outside the United States. To do this, use a separate 1992 **Form 1116**, Foreign Tax Credit, for each type of income and follow the steps below.

Step 1. Fill in Part I of Form 1116 using that portion of your taxable income and exclusion items attributable to sources outside the United States.

Step 2. Fill in Part III of Form 1116. However, instead of entering the AMT foreign tax credit carryforward on line 10 of Form 1116, use the foreign tax credit carryforward, if any, figured on exclusion items. Enter the amount from line 4 of your 1993 Form 8801 on line 17 of Form 1116. Enter the amount from line 11 of your 1993 Form 8801 reduced by the child care credit and the credit for the elderly or the disabled, if any, on line 19 of Form 1116.

Step 3. Complete Part IV of Form 1116. Enter the refigured credit from line 32 of Form 1116 on line 12 of your 1993 Form 8801.

If line 13 of Form 1116 is greater than line 20 of Form 1116, keep a record of the difference between those two lines. This amount is carried forward and used to compute your foreign tax credit on exclusion items next year.

Line 20.—Enter the unused portion of your 1992 credit for fuel produced from a nonconventional source that was not allowed solely because of the limitation under section 29(b)(6)(B). Also include on this line the unused part of your 1992 orphan drug credit not allowed solely because of the limitation under section 28(d)(2)(B).

Line 21.—If line 21 is zero or less, you do not have a minimum tax credit or a minimum tax credit carryforward. **Do not** complete the rest of this form.

Line 22.—Follow the instructions below and refer to your 1993 income tax return to figure the amount to enter on line 22.

Form 1040.—Subtract from the amount on line 40 the total of any credits on lines 41 through 44 (not including any credit for prior year minimum tax) and any write-in credit on line 45.

Form 1040NR.—Subtract from the amount on line 39 the total of any credits on lines 40 through 42 (not including any credit for prior year minimum tax) and any write-in credit on line 43.

Form 1041.—Subtract the total of any credits on lines 2a through 2c, Schedule G, from the amount on line 1a, Schedule G.

Line 25—Minimum tax credit.—Enter the minimum tax credit on the following line of your tax return:

- Form 1040, line 44.
- Form 1040NR, line 42.
- Form 1041, line 2d, Schedule G.

Line 26—Carryforward of minimum tax credit.—Keep a record of this amount because it can be carried forward and used in future years.