Purpose of Form
The tax laws give special treatment to some types of income and allow special deductions for some types of expenses. These laws enable some taxpayers with substantial economic income to significantly reduce their regular tax. The purpose of the alternative minimum tax (AMT) is to ensure that these taxpayers pay a minimum amount of tax on their economic income. Use Form 6251 to figure the amount, if any, of your AMT.

Who Must File
Complete Form 6251 to see if the AMT applies to you. Attach it to your return only if:

- You are liable for the AMT,
- You have certain credits (such as the credit for child and dependent care expenses, etc.) that are limited by the amount shown on line 24 (or in some cases, line 26) (the forms used to figure these credits have details on the limits), or
- The total of lines 7 through 14 is negative and you would be liable for the AMT without taking those lines into account.

Children Under Age 14
File Form 6251 for a child under age 14 if the child’s AMT is limited by using the worksheet for line 28 or if line 22 is more than $1,000 plus the child’s earned income. A “child under age 14” is any child who was under age 14 on January 1, 1995, at least one of whose parents was alive at the end of 1994.

Recordkeeping
For the AMT, certain items of income, deductions, etc., receive different tax treatment than for the regular tax. Therefore, you need to refigure items for the AMT that you figured for the regular tax. In some cases, you may wish to do this by completing the applicable tax form a second time. If you do complete another form, do not attach it to your tax return (except for Form 1116, Foreign Tax Credit—see the instructions for line 25 on page 6), but keep it for your records.

For the regular tax, some deductions and credits may result in carrybacks or carryforwards to other tax years. Examples include investment interest expense, a net operating loss, a capital loss, and the foreign tax credit. Because you may have to refigure these items for the AMT, the carryback or carryforward amount may be different for the AMT than for the regular tax. Therefore, you should keep records of these different amounts.

Partners, Shareholders, etc.
If you are a member of a partnership or a shareholder in an S corporation, your Schedule K-1 will give you information on any adjustments or preferences from the partnership or S corporation that you have to take into account for Form 6251.

Nonresident Aliens
If you are a nonresident alien and you disposed of U.S. real property interests at a gain, you must make a special computation. Fill in Form 6251 through line 23. If your net gain from the disposition of U.S. real property interests and the amount on line 21 are BOTH greater than the tentative amount you figured for line 23, replace the amount on line 23 with the smaller of that net gain or the amount on line 21. Also, write “RPI” on the dotted line next to line 23. Otherwise, do not change the amount on line 23.

Credit For Prior Year Minimum Tax
Get Form 8801, Credit For Prior Year Minimum Tax—Individuals, Estates, and Trusts, if you paid AMT for 1993, or you had a minimum tax credit carryforward on your 1993 Form 8801. If you pay AMT for 1994, you may be able to take a credit on Form 8801 for 1995.

Earned Income Credit
If you have an earned income credit, you must reduce it by any AMT.

Optional Write-Off for Certain Expenditures
If you elect to deduct certain expenditures ratably over a period of time for the regular tax, there is no AMT adjustment for these expenditures. These items are: circulation expenditures (section 173), research and experimental expenditures (section 174(a)), intangible drilling costs (section 263(c)), and mining exploration and development expenditures (sections 616(a) and 617(a)). See section 59(e) for more details.
Specific Instructions

Part I—Adjustments and Preferences

Caution: To avoid duplication, any adjustment or preference for line 5, 11, 14h, or 14m should not be taken into account in figuring the amount to enter for any other adjustment or preference.

Line 3—Taxes
Enter the amount from Schedule A, line 9, but do not include any generation-skipping transfer taxes on income distributions.

Line 4—Certain Home Mortgage Interest
Include on this line home mortgage interest from line 10, 11, or 12 of Schedule A (Form 1040) that is for a mortgage whose proceeds were not used to buy, build, or substantially improve your main home or a qualified dwelling that is your second home. See section 163(h)(4).

Exception. If the mortgage was taken out before July 1, 1982, do not include interest on the mortgage if it was secured by property that was your main home or a qualified dwelling used by you or a member of your family at the time the mortgage was taken out. See section 56(e)(3).

A qualified dwelling is any house, apartment, condominium, or mobile home not used on a transient basis.

Line 6—Refund of Taxes
Include any refund from line 10 of Form 1040 as follows: if you completed Form 4952, Investment Interest Expense Deduction, figure your AMT investment interest expense on another Form 4952 as follows:

Step 1. Complete line 1 of Form 4952. Follow the Form 4952 instructions for line 1, but add to line 1 any interest expense on line 4 of Form 6251 that was paid or accrued on indebtedness attributable to property held for investment within the meaning of section 163(d)(5). An example is interest on a home equity loan whose proceeds were invested in stocks or bonds. It is deductible as home mortgage interest for the regular tax, but not for the AMT. Add to this amount any interest that would have been deductible if interest earned on private activity bonds issued after August 7, 1986, had been includible in gross income.

Step 2. Enter your AMT disallowed investment interest expense from 1993 on line 2. Complete line 3.

Step 3. When completing Part II, refigure your gross income from property held for investment, any net gain from the disposition of property held for investment, and any investment expenses, taking into account all adjustments and preferences. Include any interest income and investment expenses from private activity bonds issued after August 7, 1986. Complete Part III.

Enter on this line the difference between line 8 of your AMT Form 4952 and line 8 of your regular tax Form 4952. If your AMT expense is greater, enter the difference as a negative amount.

Note: If you did not itemize deductions and you had investment interest expense, do not enter an amount on this line unless you reported investment interest expense on Schedule E. If you did, follow the steps above for completing Form 4952. Allocate the investment interest expense allowed on line 8 of the AMT Form 4952 in the same way you did for the regular tax. Enter on this line the difference between the amount allowed on Schedule E for the regular tax and the amount allowed on Schedule E for the AMT.

Line 8—Post-1986 Depreciation
Caution: Do not include on this line any depreciation adjustment from:
(a) incurring employee business expenses deducted on Schedule A; (b) a passive activity; (c) an activity for which you are not at risk, or from a partnership or an S corporation if the basis limitations under section 704(d) apply; or (d) a tax shelter farming activity. Instead, take these depreciation adjustments into account when figuring the amount to enter on line 5, 11, 14h, or 14m.

For the AMT, depreciation must be refigured using the alternative depreciation system of section 168(g) for tangible property placed in service after 1986 (or after July 31, 1986, if an election was made under the transitional provision of section 203(a)(1) of the Tax Reform Act of 1986) as follows:

1. For any section 1250(c) real property (generally nonresidential real and residential rental), use the straight line method over 40 years.

2. For any tangible property not described in 1 above that is depreciated using the straight line method for the regular tax, refigure your depreciation using the straight line method over the property’s class life (explained below).

3. For all other tangible property, use the 150% declining balance method over the property’s class life, switching to the straight line method in the first tax year it yields a larger deduction.

In applying the above rules:
1. Use the same convention you used for the regular tax.
2. The class life to be used for the AMT is not necessarily the same as the recovery period used for the regular tax. The class lives you need to use for the AMT can be found in Rev. Proc. 87-56 1987-2 C.B. 674, or in Pub. 534, Depreciation. For tangible personal property not assigned a class life, use 12 years.
3. See Rev. Proc. 87-57 1987-2 C.B. 687, for optional tables (14 through 18) that can be used in figuring AMT depreciation. (These optional tables are also included in Pub. 534.) Rev. Proc. 89-15 1989-1 C.B. 816 has special rules for applying Rev. Proc. 87-57 for short years and for property disposed of before the end of the recovery period.

4. Do not make an adjustment for motion picture films, videotapes, sound recordings, or property depreciated under the unit-of-production method or any other method not expressed in a term of years.

5. Do not refigure depreciation for any part of the cost of any property for which you made the election under section 179 to treat the cost of the property as an expense deduction. The section 179 expense deduction is allowed for the AMT.

Enter on line 8 the difference between the regular tax and AMT depreciation. If the AMT depreciation is greater, enter the difference as a negative amount.

If depreciation is capitalized to inventory under the uniform capitalization rules, refigure the inventory using the rules above.

Note: Pub. 534 has examples of how to figure depreciation for the AMT.

Line 9—Adjusted Gain or Loss
Use this line to report any AMT adjustment resulting from refiguring a gain or loss from the sale or exchange of property during the year, or from refiguring a casualty gain or loss to business or income-producing property.

Make an entry on this line only if you reported gain or loss on Form 4797, Sales of Business Property, Schedule D (Form 1040), or Section B of Form 4684, Casualties and Thefts. Refigure your gain or loss for those forms. When figuring your adjusted basis, take into account any AMT adjustments you made this year or in previous years that affect basis.

Enter on line 9 the difference between the gain or loss reported for the regular tax and that figured for the AMT. If (a) the AMT gain is less than the regular tax gain, (b) the AMT loss is more than the regular tax loss, or (c) you have an AMT loss and a regular tax gain, enter the difference as a negative amount.
Line 10—Incentive Stock Options
For the regular tax, no income is recognized when an incentive stock option (ISO), as defined in section 422(b), is granted or exercised. However, this rule does not apply for the AMT. Instead, you must generally include on line 10 the excess, if any, of:
1. The fair market value of the option (determined without regard to any lapse restriction) at the first time your rights in the option become transferable or when these rights are no longer subject to a substantial risk of forfeiture, over
2. The amount you paid for the option.
Increase your AMT basis of any stock acquired through the exercise of an ISO by the amount of the adjustment. If you acquired stock by exercising an ISO and you disposed of that stock in the same year, the tax treatment under the regular tax and the AMT is the same (no adjustment is required). See section 83 for more details.
Note: Your AMT basis in stock acquired through an ISO is likely to differ from your regular tax basis. Therefore, keep adequate records for both the AMT and regular tax so that you can figure your adjusted gain or loss in the year you sell the stock. See the instructions for line 9.

Line 11—Passive Activities
Your passive activity gains and losses must be figured for the AMT by taking into account all adjustments, preferences, and any AMT prior year unallowed losses that apply to that activity. You may wish to fill out a second Form 8852, Passive Activity Loss Limitations, and the other forms or schedules on which your passive activities are reported, to determine your passive activity loss allowed for the AMT, but do not file the second set of forms and schedules.
Example. Assume you are a partner in a partnership and the Schedule K-1 (Form 1065) you received shows the following:

- A passive activity loss of ($4,125),
- A depreciation adjustment of $500 on post-1986 property, and
- A preference of $225 for tax-exempt interest from private activity bonds issued after August 7, 1986.

Because the depreciation adjustment and the tax-exempt interest preference are items that are not allowed for the AMT, you must first reduce the passive activity loss by those amounts. The result is a passive activity loss of ($3,400). You would then enter this amount on Worksheet 2 of the AMT Form 8852 and refigure the allowable passive activity loss for the AMT.

Note: The amount of any AMT passive activity loss that is not deductible and is carried forward is likely to differ from the regular tax amount, if any. Therefore, keep adequate records for both the AMT and regular tax.

Enter the difference between the amount that would be reported for the activity on Schedule C, C-EZ, E, F, or Form 4835, Farm Rental Income and Expenses, for the AMT and the amount that was reported for the activity on that form or schedule for the regular tax. If (a) the AMT loss is more than the regular tax loss, (b) the AMT gain is less than the regular tax gain, or (c) you have an AMT loss and a regular tax gain, enter the adjustment as a negative amount.

Enter any adjustment for amounts reported on Schedule D, Form 4684, or Form 4797 for the activity on line 9 instead of line 11. See the instructions for line 9.

Publicly traded partnership (PTP).—If you had losses from a PTP, you will have to refigure the loss using any AMT adjustments and preferences and any AMT prior year unallowed loss.

Tax shelter passive farm activities.—Refigure any gain or loss from a tax shelter passive farm activity taking into account all AMT adjustments and preferences and any AMT prior year unallowed losses. If the amount is a gain, it can be included on the AMT Form 8852, but if it is a loss, the adjustment for the tax shelter passive farm activity is the loss you reported for the regular tax. The AMT loss to carry forward is the refigured AMT loss.

Insolvency.—If at the end of the tax year your liabilities exceed the fair market value of your assets, increase your passive activity loss allowed by that excess (but not by more than your total loss). See section 58(c)(1).

Line 13—Tax-Exempt Interest From Private Activity Bonds
Enter on line 13 interest you earned on “specified private activity bonds” reduced (but not below zero) by any deduction that would have been allowable if the interest were includible in gross income for the regular tax. Generally, the term “specified private activity bonds” means any private activity bond (as defined in section 141) issued after August 7, 1986. See section 57(a)(5) for exceptions and more details.

Exempt-interest dividends paid by a regulated investment company are treated as interest on a specified private activity bond to the extent the company received interest on the bond.

If you are filing Form 8814, Parents’ Election To Report Child’s Interest and Dividends, any tax-exempt interest from line 1b of that form that is a preference must be included on this line.

Line 14—Other Adjustments and Preferences
Enter the amounts of any other adjustments or preferences that apply to you on lines 14a through 14n. Enter the total on line 14.

Line 14a—Charitable contributions.—If you have an AMT or regular tax carryover of charitable contributions, refigure your deduction using your AMT carryover instead of your regular tax carryover.

For the AMT, use the cost or other basis (instead of fair market value) for any contribution of capital gain section 1231 property, for which the preference for charitable contributions of appreciated property applies. The preference for charitable contributions of appreciated property does not apply for any contribution made after 1992 or any contribution of tangible personal property made after 1990. It also does not apply to contributions of property for which you elected under section 170(b)(1)(C)(i) to figure the deduction using the property’s adjusted basis rather than its fair market value.

Enter the difference, if any, between the regular tax and AMT deduction.

Line 14b—Circulation expenditures.—Note: Do not make this adjustment for expenditures for which you elected the optional 3-year write-off for the regular tax.

For the regular tax, circulation expenditures may be deducted in full when paid or incurred. For the AMT, these expenditures must be capitalized and amortized over 3 years.

Enter the difference between the regular tax and AMT deduction. If the AMT deduction is greater, enter the difference as a negative amount.

If you had a loss on property for which circulation expenditures have not been fully amortized for the AMT, your AMT deduction is the smaller of (a) the amount of the loss allowable for the expenditures had they remained capitalized, or (b) the remaining expenditures to be amortized for the AMT.

Line 14c—Depletion.—Your depletion deduction must be refigured for the AMT. To do so, you must use only income and deductions allowed for the AMT when refiguring the limit based on taxable income from the property under section 613(a) and the limit based on taxable income, with certain adjustments, under section 613A(d)(1). Also, your depletion deduction for mines, wells, and other natural deposits under section 611 is limited to the property’s adjusted basis at the end of the year, as refigured for the AMT, unless you are a dependent producer or royalty owner claiming percentage depletion for oil and gas wells under section 613A(c). Figure this limit separately for each property. When refiguring the property’s adjusted basis, take into account any AMT adjustments you made this year or in previous years that affect basis (other than the current year’s depletion).

Enter the difference between the regular tax and AMT deduction. If the AMT deduction is greater, enter the difference as a negative amount.
Line 14d—Depreciation (pre-1987).—For the AMT, you must use the straight line method to figure depreciation on real property for which accelerated depreciation was determined using pre-1987 rules. Use a recovery period of 19 years for 19-year real property and 15 years for low-income housing.

For leased 10-year recovery property and leased 15-year public utility property, enter the amount by which your regular tax depreciation exceeds the depreciation allowable under the straight line method with a half-year convention, no salvage value, and a recovery period of 15 years (22 years for 15-year public utility property).

Figure the excess of the regular tax depreciation over the AMT depreciation separately for each property and include on line 14d only positive amounts.

Line 14e—Installment sales.—For either of the following kinds of dispositions in which you used the installment method for the regular tax, you must refigure your income for the AMT without regard to the installment method:

1. Any disposition after March 1, 1986, of property used or produced in your farming business that you held primarily for sale to customers.
2. Any nondealer disposition of property that occurred after August 16, 1986, but before January 1, 1987, if an obligation that arose from the disposition was an installment obligation to which the proportionate disallowance rule applied.

Enter on line 14e the difference between the AMT and regular tax income. If the AMT income is smaller, enter the difference as a negative amount.

Line 14f—Intangible drilling costs (IDCs).—Note: Do not make this adjustment for costs for which you elected the optional 60-month write-off for the regular tax.

IDCs from oil, gas, and geothermal wells are a preference to the extent that the excess IDCs exceed 65% of the net income from the wells. Figure the preference for all oil and gas properties separately from the preference for all geothermal properties.

Figure excess IDCs as follows:

Determine the amount of your IDCs allowed for the regular tax under section 263(c), but do not include any section 263(c) deduction for nonproductive wells. Then, subtract the amount that would have been allowed had you amortized these IDCs over a 120-month period starting with the month the well was placed in production.

Note: If you prefer not to use the 120-month period, you can elect to use any method that is permissible in determining cost depletion.

Net income is determined by taking the gross income that you received or accrued during the tax year from all oil, gas, and geothermal wells and reducing the gross income by the deductions allocable to these properties (reduced by the excess IDCs). When refiguring net income, use only income and deductions allowed for the AMT.

Exception. The preference for IDCs from oil and gas wells does not apply to taxpayers who are independent producers (i.e., not integrated oil companies as defined in section 291(b)(4)). However, this benefit may be applied. First, figure the IDC preference as if this exception did not apply. Then, for purposes of this exception, complete Form 6251 through line 19, including the IDC preference.

If the amount of the IDC preference exceeds 40% of the amount figured for line 19, enter the excess on line 14f (your benefit of this exception is limited). If the amount of the IDC preference is equal to or less than 40% of the amount figured for line 19, do not enter an amount on line 14f (your benefit of this exception is not limited).

Line 14g—Long-term contracts.—For the AMT, you must use the percentage-of-completion method rules described in section 460(b) to determine your income from any long-term contract (defined in section 460(f)) you entered into after February 28, 1986. However, this rule does not apply to:

(a) any home construction contract (as defined in section 460(e)(6)) entered into after February 20, 1988, and before 1991, if you met the requirements of section 460(e)(1)(B)(ii) and (ii), and (b) all home construction contracts entered into after 1990.

Note: For contracts described in section 460(e)(1), use the simplified procedures for allocating costs outlined in section 460(b)(4) to determine the percentage of completion.

Enter the difference between the AMT and regular tax income. If the AMT income is smaller, enter the difference as a negative amount.

Line 14h—Loss limitations.—For passive activities, see the line 11 instructions instead. For tax shelter farm activities (that are not passive), see the line 14i instructions.

Refigure your gains and losses from activities for which you are not at risk and basis limitations applicable to partnerships and S corporations by taking into account all AMT adjustments and preferences that apply. See sections 59(h), 465, 704(d), and 1366(d).

Enter the difference between the amount that would be reported for the activity on Schedule C, C-EZ, E, F, or Form 4835 for the AMT and the regular tax amount. If (a) the AMT loss is more than the regular tax loss, (b) the AMT gain is less than the regular tax gain, or (c) you have an AMT loss and a regular tax gain, enter the adjustment as a negative amount.

Note: The AMT amount of any gain or loss from activities for which you are not at risk is likely to differ from the regular tax amount. Your AMT basis in partnerships and S corporations is also likely to differ from your regular tax basis. Therefore, keep adequate records for both the AMT and regular tax.

Enter any adjustment for amounts reported on Schedule D, Form 4684, or Form 4797 for the activity on line 9 instead. See the instructions for line 9.

Line 14i—Mining costs.—Note: Do not make this adjustment for costs for which you elected the optional 10-year write-off for the regular tax.

Mining exploration and development costs paid or incurred after 1986 and deducted in full in the tax year they were paid or incurred for the regular tax must be capitalized and amortized over 10 years for the AMT. Enter the difference between the regular tax and AMT deduction. If the AMT deduction is greater, enter the difference as a negative amount.

If you had a loss on property for which mining costs have not been fully amortized for the AMT, your AMT deduction is the smaller of (a) the loss allowable for the costs had they remained capitalized, or (b) the remaining costs to be amortized for the AMT.

Line 14j—Patron's adjustment.—Distributions you received from a cooperative may be includible in income. Unless the distributions are nontaxable, enter on line 14j the total AMT patronage dividend and per-unit retain allocation adjustment reported to you by the cooperative.

Line 14k—Pollution control facilities.—The section 169 election to amortize the basis of a certified pollution control facility over a 60-month period is not available for the AMT. Instead, the deduction is determined using the alternative depreciation system and the class life asset depreciation range for the facility under the straight line method. Enter the difference between the regular tax and AMT deduction. If the AMT amount is greater, enter the difference as a negative amount.

Line 14l—Research and experimental.—Note: Do not make this adjustment for costs paid or incurred in connection with an activity in which you materially participated under the passive activity rules or for costs for which you elected the optional 10-year write-off for the regular tax.

Research and experimental costs paid or incurred after 1986 and deducted in full in the tax year they were paid or incurred for the regular tax must be capitalized and amortized over 10 years for the AMT. Enter the difference between the regular tax and AMT deduction. If the AMT deduction is greater, enter the difference as a negative amount.

If you had a loss on property for which research and experimental costs have not been fully amortized for the AMT, your AMT deduction is the smaller of (a) the loss allowable for the costs had they remained capitalized, or (b) the remaining costs to be amortized for the AMT.
**Line 14m—Tax shelter farm activities.—** Figure this adjustment only if you have a gain or loss from a tax shelter farm activity (as defined in section 58(a)(2)) that is not a passive activity. If the activity is passive, you must include it with your other passive activities on line 11.

Refigure all gains and losses you reported for the regular tax from tax shelter farm activities by taking into account any AMT adjustments and preferences. Determine your tax shelter farm activity gain or loss for the AMT using the same rules you used for the regular tax with the following modifications. No refigured loss is allowed, except to the extent you are insolvent (see section 58(c)(1)). A refigured loss may not be used in the current tax year to offset gains from other tax shelter farm activities. Instead, any refigured loss must be suspended and carried forward indefinitely until: (a) you have a gain in a subsequent tax year from that same activity, or (b) you dispose of the activity.

**Note:** The AMT amount of any tax shelter farm activity loss that is not deductible and is carried forward is likely to differ from the regular tax amount. Therefore, keep adequate records for both the AMT and regular tax.

Enter the difference between the amount that would be reported for the activity on Schedule E, F, or Form 4835 for the AMT and the regular tax amount. If (a) the AMT loss is more than the regular tax loss, (b) the AMT gain is less than the regular tax gain, or (c) you have an AMT loss and a regular tax gain, enter the adjustment as a negative amount.

Enter any adjustment for amounts reported on Schedule D, Form 4684, or Form 4797 for the activity on line 9 instead. See the instructions for line 9.

**Line 14n—Related adjustments.—** If you have an entry on line 7 (if you deducted investment interest allocable to an interest in a trade or business), 8 through 11, or 14b through 14m, you may have to refigure any item of income or deduction based on a limit of income other than AGI or modified AGI.

Affected items include:
- Section 179 expense deduction (Form 4562, line 12).
- Expenses for business or rental use of your home.
- Conservation expenses (Schedule F, line 14).
- Taxable IRA distributions (Form 1040, line 15b), if prior year IRA deductions were different for the AMT and the regular tax.
- Self-employed health insurance deduction (Form 1040, line 26).
- Keogh retirement plan or self-employed SEP deduction (Form 1040, line 27).

**Part II—Alternative Minimum Taxable Income (AMTI)**

**Line 16**

Because personal exemptions are not allowed in figuring AMTI, enter on line 16 your taxable income figured without the deduction for personal exemptions. This amount is shown on Form 1040, line 35.

If Form 1040, line 37, includes a write-in amount, add lines 36 and 37 of Form 1040 and use that result on line 16 instead of the amount from Form 1040, line 35. If your taxable income includes an amount from the alcohol fuel credit under section 87, reduce line 16 by the amount of the credit included in income.

**Line 20—Alternative Tax Net Operating Loss Deduction (ATNOLD)**

The ATNOLD is the aggregate of the alternative tax net operating loss (ATNOL) carryovers and carrybacks to the tax year, subject to the limitation explained below. Figure your ATNOLD as follows:

For loss years beginning after 1986, your ATNOLD is the excess of the deductions allowed for figuring AMTI (excluding the ATNOLD) over the income included in AMTI. This excess is figured with the modifications in section 172(d), taking into account the adjustments in sections 56 and 58 and preferences in section 57 (i.e., the section 172(d) modifications should be separately computed in figuring the ATNOL). For example, the limitation of nonbusiness deductions to the amount of nonbusiness income must be separately computed in figuring the ATNOL, using only nonbusiness income and deductions that are included in figuring AMTI.

For loss years beginning before 1987, your ATNOL is your ATNOL carryover to 1987.

Your ATNOL may be limited. To figure the ATNOLD limitation, you must first figure your AMTI without regard to the ATNOLD. For this purpose, figure a tentative amount for line 14c by treating line 20 as if it were zero. Then, figure a tentative amount for line 19. Your ATNOLD limitation is 90% of the tentative line 19 amount. Enter on line 20 the smaller of the ATNOLD or the ATNOLD limitation. Any ATNOL not used can be carried back or forward. See section 172(b) for details. The treatment of ATNOLs does not affect your regular tax NOL.

**Note:** If you elected under section 172(b)(3) to forego the carryback period for the regular tax, the election also applies for the AMT.

**Pre-1983 NOL carryover.—** If your regular tax is reduced because of an NOL deduction on Form 1040, line 21, from a year before 1983, you may owe deferred minimum tax. The amount of the tax is 15% of the portion of the NOL deduction that is for the loss year’s excess tax preference items. Include the tax in the total on Form 1040, line 48 and write “Deferred Minimum Tax” and the amount on the dotted line.
### Exemption Worksheet—Line 22 (keep for your records)

**Note:** If Form 6251, line 21, is equal to or more than $247,500 ($330,000 if married filing jointly or qualifying widow(er), $165,000 if married filing separately), your exemption is zero; enter the amount from line 21 on line 23 and go to line 24.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Formula</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Enter $33,750 ($45,000 if married filing jointly or qualifying widow(er), $22,500 if married filing separately)</td>
<td>[ \text{AMTI from Form 6251, line 21} \times 0.25 ]</td>
<td>$33,750</td>
</tr>
<tr>
<td>2.</td>
<td>Enter your alternative minimum taxable income (AMTI) from Form 6251, line 21</td>
<td>[ \text{AMTI from Form 6251, line 21} ]</td>
<td>$33,750</td>
</tr>
<tr>
<td>3.</td>
<td>Enter $112,500 ($150,000 if married filing jointly or qualifying widow(er), $75,000 if married filing separately)</td>
<td>[ \text{AMTI from Form 6251, line 21} \times 0.1 ]</td>
<td>$112,500</td>
</tr>
<tr>
<td>4.</td>
<td>Subtract line 3 from line 2.</td>
<td>-</td>
<td>$78,750</td>
</tr>
<tr>
<td>5.</td>
<td>Multiply line 4 by 25% (.25)</td>
<td>[ \text{Line 4} \times 0.25 ]</td>
<td>$19,687.50</td>
</tr>
<tr>
<td>6.</td>
<td>Subtract line 5 from line 1.</td>
<td>-</td>
<td>$15,062.50</td>
</tr>
<tr>
<td>7.</td>
<td>Enter the exemption from the parent's Form 6251, line 22</td>
<td>[ \text{Line 6} \times 0.1 ]</td>
<td>$1,506.25</td>
</tr>
<tr>
<td>8.</td>
<td>Enter the AMTI from the parent's Form 6251, line 21</td>
<td>[ \text{Line 21 of Form C or line 3 of Schedule B} ]</td>
<td>$122,500</td>
</tr>
<tr>
<td>9.</td>
<td>Subtract line 8 from line 7.</td>
<td>-</td>
<td>$11,993.75</td>
</tr>
<tr>
<td>10.</td>
<td>Enter the child's AMTI from Form 6251, line 21</td>
<td>[ \text{Line 21 of Form C or line 3 of Schedule B} ]</td>
<td>$122,500</td>
</tr>
<tr>
<td>11.</td>
<td>Enter the total AMTI from Form(s) 6251, line 21, of the parent's other children under age 14</td>
<td>[ \text{Lines 10 and 11} ]</td>
<td>$134,493.75</td>
</tr>
<tr>
<td>12.</td>
<td>Add lines 10 and 11</td>
<td>[ \text{Lines 10 and 11} ]</td>
<td>$134,493.75</td>
</tr>
<tr>
<td>13.</td>
<td>Divide line 10 by line 12 and enter the result as a decimal (rounded to four places)</td>
<td>[ \frac{\text{Line 10}}{\text{Line 12}} ]</td>
<td>0.9481</td>
</tr>
<tr>
<td>14.</td>
<td>Multiply line 9 by line 13</td>
<td>[ \text{Line 9} \times \frac{\text{Line 10}}{\text{Line 12}} ]</td>
<td>$14,231.09</td>
</tr>
<tr>
<td>15.</td>
<td>Enter the larger of $1,000 or the amount on line 14</td>
<td>[ \max(1,000, \text{Line 14}) ]</td>
<td>$14,231.09</td>
</tr>
<tr>
<td>16.</td>
<td>Enter the child's earned income, if any. See instructions</td>
<td>[ \text{Line 15} ]</td>
<td>$14,231.09</td>
</tr>
<tr>
<td>17.</td>
<td>Add lines 15 and 16</td>
<td>[ \text{Lines 15 and 16} ]</td>
<td>$14,231.09</td>
</tr>
<tr>
<td>18.</td>
<td>Enter the smaller of line 6 or line 17 here and on Form 6251, line 22</td>
<td>[ \min(\text{Line 6}, \text{Line 17}) ]</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

For Form 1116 to help you figure your AMTFTC, write across the top of each Form 1116 "AMT."

2. Complete Part I using only income and deductions allowed for the AMT that are attributable to sources outside the United States.

3. Complete Part III, but do not enter on line 9 any taxes taken into account in a tax year beginning after 1986 that are treated under section 904(c) as paid or accrued in a tax year beginning before 1987. Enter your AMTFTC carryover from Form 1116, line 19, and enter the AMTI from Form 6251, line 21, on Form 1116, line 17. Enter on Form 1116, line 19, the amount from Form 6251, line 24, reduced by the child care credit, the credit for the elderly or the disabled, and the mortgage interest credit.

4. Complete Part IV of Form 1116. The foreign tax credit from line 32 of the AMT Form 1116 is limited to the tax on Form 6251, line 24, minus 10% of what the tax on line 24 would have been if Form 6251, line 20, had been zero and the exception for intangible drilling costs (see the instructions for line 14f on page 4) did not apply. If you have no entry on Form 6251, line 20, and no intangible drilling costs (or the exception did not apply to you), enter on Form 6251, line 25, the smaller of 90% of Form 6251, line 24, or the amount from Form 1116, line 32. If line 20 has an amount or the exception for intangible drilling costs applies to you, for purposes of this line figure what your tax on line 24 would have been if line 20 were zero and the exception did not apply. Multiply that amount by 10% and subtract the result from the tax on line 24. Enter the smaller of that amount or the amount from Form 1116, line 32, on Form 6251, line 25.

If your AMTFTC is limited, the unused amount can be carried back or forward according to section 904(c).
Line 28—Alternative Minimum Tax

If you are completing this form for a child under age 14 and line 26 is more than line 27, complete the worksheet on this page. Using the worksheet may reduce or eliminate the child’s AMT if:

- The child’s parent has regular tax that is more than the parent’s tentative minimum tax (TMT) (line 27 is more than line 26 of the parent’s Form 6251); or
- Another child of the parent who was under age 14 on January 1, 1995, has regular tax that is more than that child’s TMT.

Note: For purposes of this line, use the return of the same parent that was used in completing the worksheet for line 22. See Which parent’s return to use on page 6.

Before the worksheet can be filled in, Form 6251 must be completed through line 27 for the parent and each of the parent’s other children who were under age 14 on January 1, 1995.

Amended return.—If, after the child’s return is filed, the parent’s tax liability is changed or the tax liability of any of the parent’s other children under age 14 is changed, the child’s AMT must be refigured using the adjusted amounts. If the child’s AMT changes, file Form 1040X, Amended U.S. Individual Income Tax Return, to correct the child’s tax.

Line 6 of the worksheet.—If Form 6251 was not required to be completed for the parent, use the following instructions to find the amount to enter for this line. If the parent filed:

- Form 1040. Add the amount from line 38 of the parent’s Form 1040 to any tax from Form 4970 entered on line 39 of that Form 1040. Subtract from that total any foreign tax credit entered on line 43 of the parent’s Form 1040.
- Form 1040A. Enter the amount from line 23 of the parent’s Form 1040A.
- Form 1040EZ. Enter the amount from line 9 of the parent’s Form 1040EZ.
- Form 1040NR. Add the amount from line 37 of the parent’s Form 1040NR to any tax from Form 4970 entered on line 38 of that Form 1040NR. Subtract from that total any foreign tax credit entered on line 41 of the parent’s Form 1040NR. Enter the result on line 6 of the worksheet.

Line 7 of the worksheet.—If Form 6251 was not required to be completed for all of the parent’s other children who were under age 14, figure the amount to enter on line 7 as follows. First, if Form 6251 was completed for some of these children, add the amounts from line 27 on each of their Forms 6251. To that total add the amounts figured below for each of the children for whom Form 6251 was not completed. If the parent’s other child filed:

- Form 1040. Add the amount from line 38 of the child’s Form 1040 to any tax from Form 4970 entered on line 39 of that Form 1040. Subtract from that total any foreign tax credit entered on line 43 of the child’s Form 1040.
- Form 1040A. Use the amount on line 23.
- Form 1040EZ. Use the amount on line 9.
- Form 1040NR. Add the amount from line 37 of the child’s Form 1040NR to any tax from Form 4970 entered on line 38. Subtract from that total any foreign tax credit entered on line 41.

Line 13 of the worksheet.—Figure the AMT of each of the parent’s other children under age 14 for whom Form 6251 was completed. To do this, subtract the amount on line 27 of each child’s Form 6251 from the amount on line 26 of that form. If the result is zero or less, that child does not owe AMT.

Example. The parent of the child for whom this form is being completed had two other children (Paul and Beth) who were under age 14. The amount on line 26 of Paul’s Form 6251 is $10,000 and the amount on line 27 is $3,000. Paul’s AMT is $7,000 ($10,000 – $3,000). Beth has $2,500 on line 26 of her Form 6251 and $3,000 on line 27. Beth’s AMT is zero. The amount to enter on line 13 is $7,000 ($7,000 + $0).

### Worksheet for Limit on AMT for Children Under Age 14—Line 28

(keep for your records)

<table>
<thead>
<tr>
<th>Line</th>
<th>Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Enter the child’s TMT from Form 6251, line 26.</td>
</tr>
<tr>
<td>2.</td>
<td>Enter the TMT from line 26 of the parent’s Form 6251.</td>
</tr>
<tr>
<td>3.</td>
<td>Enter the total TMT, if any, from line 26 of Form 6251 of all the parent’s other children under age 14 who completed Form 6251.</td>
</tr>
<tr>
<td>4.</td>
<td>Add lines 1, 2, and 3.</td>
</tr>
<tr>
<td>5.</td>
<td>Enter the amount from the child’s Form 6251, line 27.</td>
</tr>
<tr>
<td>6.</td>
<td>Enter the amount from the parent’s Form 6251, line 27.</td>
</tr>
<tr>
<td>7.</td>
<td>Enter the total from line 27 of Form 6251 of all the parent’s other children.</td>
</tr>
<tr>
<td>8.</td>
<td>Add lines 5, 6, and 7.</td>
</tr>
<tr>
<td>9.</td>
<td>Subtract line 8 from line 4. If zero or less, skip lines 10 through 16, and enter 0-0 on line 17.</td>
</tr>
<tr>
<td>10.</td>
<td>Enter the AMT, if any, from line 28 of the parent’s Form 6251.</td>
</tr>
<tr>
<td>11.</td>
<td>Subtract line 10 from line 9. If zero or less, skip lines 12 through 16, and enter 0-0 on line 17.</td>
</tr>
<tr>
<td>12.</td>
<td>Subtract line 5 from line 1.</td>
</tr>
<tr>
<td>13.</td>
<td>Enter the total AMT for all the parent’s other children.</td>
</tr>
</tbody>
</table>
| 15.  | Divide line 12 by line 14 and enter the result as a decimal (rounded to four places). If the amounts on lines 12 and 14 are the same, enter “1.00”.
| 17.  | Enter the smaller of line 12 or line 16 here and on Form 6251, line 28. If line 16 is smaller or you skipped line 12, write “C” on the dotted line to the left of the entry space for Form 6251, line 28. |