



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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The Honorable Marco Rubio
United States Senator
201 South Orange Avenue, Suite 350
Orlando, FL 32801

Attention:

Dear Senator Rubio:

I am responding to your inquiry dated October 10, 2011, on behalf of your constituent, . wrote that he was subject to the alternative minimum tax (AMT) because he had to add back certain state and local taxes that are deductible for purposes of the regular tax.

To determine whether a taxpayer is liable for the AMT, the taxpayer must first calculate his or her regular tax liability, taking into account appropriate deductions, credits, and exclusions. The taxpayer then makes a separate calculation to determine an alternative minimum taxable income (AMTI). The AMTI calculation is similar to the regular taxable income calculation, except with certain specified adjustments (sections 56 through 58 of the Internal Revenue Code (the Code)). In figuring AMTI, an individual taxpayer cannot deduct various state, local, or foreign taxes that are itemized deductions for regular tax purposes (section 56(b)(1)(A)(ii) of the Code).

Because the statute imposes the disallowance of the regular tax deduction for state, local, and foreign taxes in computing AMTI, any change to this requirement would require legislative action. The Internal Revenue Service has no authority to modify the statutory requirements.

I hope this information is helpful. If you have any questions, please contact
or me at .

Sincerely,

William A. Jackson
Chief, Branch 5
Office of Associate Chief Counsel
(Income Tax & Accounting)