

| <u>Step1</u> Find: Individual Income Tax Returns (Form 1040) | <u>Step2</u> Find: Alternative Minimum Tax (Form 6251) | | | | | | | | | |
|--|--|---------------------|---------------|------------|------------------|-----------------|-------------|------------|---------------|------------|
| Add all Income: + wages + salaries + tips + taxable interest + capital gains + ira distributions + pension + annuity income + Social Security benefits | Enter taxable Income from form 1040 (if zero, Use AGI) | | | | | | | | | |
| Take Deductions: - educator expenses - business expenses - health saving accounts - self-employment tax - personal exemption - moving expenses for Armed Forces (if applicable) | Find AMT INCOME: AMT Eliminates some deductions, ADD BACK: + State and local tax deduction (SALT) + Investment interest expense + Net operating loss + Private activity bond interest + Depreciation + Passive activities (rentals) + Loss limitations + Research costs | | | | | | | | | |
| = Adjusted Gross Income (AGI) | = Alternative Minimum Taxable Income (AMTI) | | | | | | | | | |
| Choose the larger : 1. - standard deduction 2. - itemized deductions - Subtract QBI (qualified business deduction) if applicable | Filing Status : AMT Threshold : Deduction <table><tr><td>Single / HOH</td><td>\$609k</td><td>86K</td></tr><tr><td>MFJ / QSS</td><td>\$1,200k</td><td>133K</td></tr><tr><td>MFS</td><td>\$609k</td><td>67K</td></tr></table> | Single / HOH | \$609k | 86K | MFJ / QSS | \$1,200k | 133K | MFS | \$609k | 67K |
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| = Taxable income, MAGI (modified AGI) | CALCULATE TAX RATE & AMOUNT 15% : 20% : 25% | | | | | | | | | |
| 1. Apply ordinary tax rates and, 2. Take applicable tax Credits (– EITC – LLC – CTC – ODC) | | | | | | | | | | |
| = Total Ordinary Tax | = Tentative Tax (A.M.Tax) | | | | | | | | | |
| PAY WHICHEVER AMOUNT IS GREATER! | | | | | | | | | | |

