

<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!										

