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| **Step1 Find: Individual Income Tax Returns (Form 1040)** | **Step2 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  Single / HOH $609k 86K MFJ / QSS $1,200k 133K MFS $609k 67K** |
| **= 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!** | |