

***The Tax Review* Alternative Minimum Tax (AMT)**

Learning Objectives / Table of Contents

Chapter

1 Basics of the Individual Alternative Minimum Tax (AMT)

- 1-A** Recognize the components in calculating individual AMT and how it can affect the income tax return.
- 1-B** Identify adjustments and preferences that can trigger individual AMT.
- 1-C** Compute the difference between regular tax and AMT for common adjustment or preference items.

2 Credit for Prior Year AMT

- 2-A** Recognize prior-year AMT items that will potentially produce a tax credit on an individual return.
- 2-B** Compute the Credit for Prior-Year Minimum Tax.
- 2-C** Identify proper recordkeeping and reporting methods to ensure AMT credits are available for a year in which the credit will benefit the taxpayer.

3 Specific AMT Items Examined

- 3-A** Identify situations where an AMT liability may exist without any preference items by reviewing facts in *Birts vs. Commissioner*.
- 3-B** Discern concepts related to the disallowance of an alternative minimum tax net operating loss deduction created by AMT basis adjustments related to incentive stock options, as discussed in *Marcus vs. Commissioner*.
- 3-C** Recognize principles set forth in Revenue Ruling 2005-11 on mortgage interest for AMT purposes.

4 Alternative Minimum Tax (AMT)—Corporations

- 4-A** Identify corporations subject to AMT and items that may trigger corporate AMT.
- 4-B** Compute the adjusted current earnings (ACE) adjustment.
- 4-C** Calculate the corporate alternative minimum tax and the minimum tax credit.