



# Instructions for Form 6251

## Alternative Minimum Tax—Individuals

Section references are to the Internal Revenue Code unless otherwise noted.

### General Instructions

#### Future Developments

For the latest information about developments related to Form 6251 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form6251](https://www.irs.gov/Form6251).

#### What's New

**Exemption amount.** The exemption amount on Form 6251, line 5, has increased to \$73,600 (\$114,600 if married filing jointly or qualifying widow(er)); \$57,300 if married filing separately).

Also, the amount used to determine the phaseout of your exemption has increased to \$523,600 (\$1,047,200 if married filing jointly or qualifying widow(er)).

**AMT tax brackets.** For 2021, the 26% tax rate applies to the first \$199,900 (\$99,950 if married filing separately) of taxable excess (the amount on line 6). This change is reflected on lines 7, 18, and 39.

#### Who Must File

Attach Form 6251 to your return if any of the following statements are true.

1. Form 6251, line 7, is greater than line 10.
2. You claim any general business credit, and either line 6 (in Part I) of Form 3800 or line 25 of Form 3800 is more than zero.
3. You claim the qualified electric vehicle credit (Form 8834), the personal use part of the alternative fuel vehicle refueling property credit (Form 8911), or the credit for prior year minimum tax (Form 8801).
4. The total of Form 6251, lines 2c through 3, is negative and line 7 would be greater than line 10 if you didn't take into account lines 2c through 3.

#### Purpose of Form

Use Form 6251 to figure the amount, if any, of your alternative minimum tax (AMT). The AMT is a separate tax that

is imposed in addition to your regular tax. It applies to taxpayers who have certain types of income that receive favorable treatment, or who qualify for certain deductions, under the tax law. These tax benefits can significantly reduce the regular tax of some taxpayers with higher economic incomes. The AMT sets a limit on the amount these benefits can be used to reduce total tax.

Also use Form 6251 to figure your tentative minimum tax (Form 6251, line 9). You may need to know that amount to figure the tax liability limit on the credits listed under [Who Must File](#), earlier.

#### Figuring AMT Amounts

For the AMT, certain items of income, deductions, etc., receive different tax treatment than for the regular tax. Therefore, you will need to figure items for the AMT differently from how you figured them for the regular tax. These instructions will help you figure AMT items by using the amount you figured for the regular tax and refiguring it for the AMT. In some cases, it is easiest to refigure an item for AMT by completing a tax form or worksheet a second time using additional AMT instructions. These instructions refer to such a form or worksheet as an "AMT" version. If you do complete an AMT version of a form or worksheet, don't attach it to your tax return unless instructed to do so. For example, you may have to attach an AMT Form 1116, Foreign Tax Credit, to your return; see [Line 8](#), later.

As you figure some deductions and credits for the AMT, carrybacks or carryforwards to other tax years may be different from what you figured for the regular tax. Examples are investment interest expense, a net operating loss, a capital loss, a passive activity loss, and the foreign tax credit. Your at-risk limits and basis amounts may also differ for the AMT.

#### Recordkeeping

You must keep records to support items reported on Form 6251 in case the IRS has questions about them. If the IRS examines your tax return, you may be asked to explain the items reported.

Good records will help you explain any item and arrive at the correct AMT.

Keep records that show how you figured income, deductions, etc., for the AMT. Also keep records of any items that you used to figure the AMT that differ from what you used to figure the regular tax. For example, you will need to separately figure and track certain carrybacks, carryforwards, basis amounts, depreciation, and loss limitation amounts that differ between the AMT and the regular tax.

If you refigure an item for AMT by completing an AMT version of a form or worksheet, keep a copy of that AMT form or worksheet for your records.

#### Partners and Shareholders

If you are a partner in a partnership or a shareholder in an S corporation, see Schedule K-1 and its instructions to figure your adjustments or preferences from the partnership or S corporation to include on Form 6251.

#### Nonresident Aliens

If you are a nonresident alien and you disposed of U.S. real property interests at a gain, you must make a special computation. Fill in Form 6251 through line 6. If your net gain from the disposition of U.S. real property interests and the amount on line 4 are both greater than the tentative amount you figured for line 6, replace the amount on line 6 with the smaller of that net gain or the amount on line 4. Also enter "RPI" on the dotted line next to line 6. Otherwise, don't change line 6.

#### Credit for Prior Year Minimum Tax

See Form 8801, Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts, if you paid AMT for 2020 or you had a minimum tax credit carryforward on your 2020 Form 8801. If you pay AMT for 2021, you may be able to take a credit on Form 8801 for 2022.

#### Optional Write-off for Certain Expenditures

There is no AMT adjustment for the following items if you elect for the

regular tax to deduct them ratably over the period of time shown.

- Circulation expenditures—3 years (section 173).
- Research and experimental expenditures—10 years (section 174(a)).
- Mining exploration and development costs—10 years (sections 616(a) and 617(a)).
- Intangible drilling costs—60 months (section 263(c)).

For information on making the election, see section 59(e) and Regulations section 1.59-1. Also see Pub. 535, Business Expenses.

## Specific Instructions



*If you owe AMT, you may be able to lower your total tax (regular tax plus AMT) by claiming itemized deductions on Form 1040 or Form 1040-SR, even if your total itemized deductions are less than the standard deduction. This is because the standard deduction isn't allowed for the AMT and, if you claim the standard deduction on Form 1040 or Form 1040-SR, you can't claim itemized deductions for the AMT.*

## Part I—Alternative Minimum Taxable Income (AMTI)



*To avoid duplication, any adjustment or preference for line 2m or 2n or for a tax shelter farm activity on line 3 must not be taken into account in figuring the amount to enter for any other adjustment or preference.*

### Line 1

If Form 1040 or 1040-SR, line 15, is zero and includes a write-in amount (such as a capital construction fund deduction for commercial fishermen), subtract the write-in amount and line 14 of Form 1040 or 1040-SR from line 11 of Form 1040 or 1040-SR before entering the result on line 1.

**Form 1040-NR.** If you are filing Form 1040-NR, enter the amount from Form 1040-NR, line 15. If Form 1040-NR, line 15, is zero, subtract line 14 from line 11 of Form 1040-NR and enter the result. If less than zero, enter as a negative amount.

### Line 2a—Taxes

Enter the amount of all taxes from Schedule A (Form 1040), line 7, except

any generation-skipping transfer taxes on income distributions.

If you aren't filing Schedule A (Form 1040), then enter the standard deduction amount that you reported on Form 1040 or 1040-SR, line 12a.

**Net qualified disaster loss.** If you filed Schedule A just to claim an increased standard deduction on Form 1040 or Form 1040-SR due to a loss you suffered related to property in a federally declared disaster area, then enter zero on line 2a and go to line 2b. You will include the amount of the standard deduction (before it was increased by any net qualified disaster loss) on line 3.

**Form 1040-NR.** If you are filing Form 1040-NR, enter the amount of all taxes from Schedule A (Form 1040-NR), line 1b, plus any foreign income taxes you are deducting on Schedule A (instead of claiming a credit on Form 1116). Don't include any generation-skipping transfer taxes on income distributions.

### Line 2b—Refund of Taxes

Include any refund from Schedule 1 (Form 1040), line 1, that is attributable to state or local income taxes. Also include any refunds received in 2021 and included in income on Schedule 1 (Form 1040), line 8z, that are attributable to state or local personal property taxes or general sales taxes, foreign income taxes, or state, local, or foreign real property taxes. Enter the total as a negative amount. If you include an amount from Schedule 1 (Form 1040), line 8z, you must enter a description and the amount next to the entry space for line 2b. For example, if you include a refund of real property taxes, enter "real property" and the amount next to the entry space.

### Line 2c—Investment Interest

If you filled out Form 4952, Investment Interest Expense Deduction, for your regular tax, you will need to fill out a second Form 4952 for the AMT as follows.

**Step 1.** Follow the Form 4952 instructions for line 1, but, when completing line 1, also include any interest that would have been deductible if tax-exempt interest on private activity bonds were includible in gross income.

**Step 2.** Enter your AMT disallowed investment interest expense from 2020 on line 2. Complete line 3.

**Step 3.** When completing Part II, refigure the following amounts, taking

into account all adjustments and preferences.

- Gross income from property held for investment.
- Net gain from the disposition of property held for investment.
- Net capital gain from the disposition of property held for investment.
- Investment expenses.

Include on line 4a any tax-exempt interest income from private activity bonds that must be included on Form 6251, line 2g. If you have any investment expenses that would have been deductible if the interest on the bonds were includible in gross income for the regular tax, you can use them to reduce the amount on line 4a or include them on line 5.

On line 4g, enter the smaller of:

1. The amount from line 4g of your regular tax Form 4952, or
2. The total of lines 4b and 4e of this AMT Form 4952.

### Step 4. Complete Part III.

Enter on Form 6251, line 2c, the difference between line 8 of your AMT Form 4952 and line 8 of your regular tax Form 4952. If your AMT expense is greater, enter the difference as a negative amount.

**Investment interest expense that isn't an itemized deduction.** If you didn't itemize deductions and you had investment interest expense, don't enter an amount on Form 6251, line 2c, unless you reported investment interest expense on Schedule E (Form 1040), Supplemental Income and Loss. If you did, follow the steps above for completing Form 4952. Allocate the investment interest expense allowed on line 8 of the AMT Form 4952 in the same way you did for the regular tax. Enter on Form 6251, line 2c, the difference between the amount allowed on Schedule E for the regular tax and the amount allowed on Schedule E for the AMT.

### Line 2d—Depletion

Refigure your depletion deduction for the AMT. To do so, use only income and deductions allowed for the AMT when refiguring the limit based on taxable income from the property under section 613(a) and the limit based on taxable income, with certain adjustments, under section 613A(d)(1). Also, your depletion deduction for mines, wells, and other natural deposits under section 611 is limited to the property's adjusted basis at the end of the year, as refigured for the AMT,

unless you are an independent producer or royalty owner claiming percentage depletion for oil and gas wells under section 613A(c). Figure this limit separately for each property. When refiguring the property's adjusted basis, take into account any AMT adjustments you made this year or in previous years that affect basis (other than current year depletion).

Enter the difference between the regular tax and AMT deduction. If the AMT deduction is more than the regular tax deduction, enter the difference as a negative amount.

### **Line 2f—Alternative Tax Net Operating Loss Deduction (ATNOLD)**

The ATNOLD is the sum of the alternative tax net operating loss (ATNOL) carrybacks and carryforwards to the tax year subject to the limitation explained later. Figure your ATNOLD as follows.

Your ATNOL for a loss year is the excess of the deductions allowed for figuring AMTI (excluding the ATNOLD) over the income included in AMTI. Figure this excess with the modifications in section 172(d), taking into account your AMT adjustments and preferences (that is, the section 172(d) modifications must be separately figured for the ATNOL). For example, the limitation of nonbusiness deductions to the amount of nonbusiness income must be separately figured for the ATNOL, using only nonbusiness income and deductions that are included in AMTI.

Your ATNOLD may be limited. To figure the ATNOLD limitation, you must first figure your AMTI without regard to the ATNOLD. To do this, first figure a tentative amount for line 2d by treating line 2f as if it were zero. Next, figure a tentative total of lines 1 through 3 using the tentative line 2d amount and treating line 2f as if it were zero. This is your AMTI figured without regard to the ATNOLD. **Your ATNOLD is limited to 90% of the result.**

However, the 90% limit doesn't apply to an ATNOL that is attributable to qualified disaster losses before December 19, 2004 (as defined in section 172(j)), qualified Gulf Opportunity Zone losses (as defined in section 1400N(k)(2)), qualified recovery assistance losses (as defined in Pub. 4492-A, Information for Taxpayers Affected by the May 4, 2007, Kansas Storms and Tornadoes), qualified

disaster recovery assistance losses (as defined in Pub. 4492-B, Information for Affected Taxpayers in the Midwestern Disaster Areas), or a 2008 or 2009 loss that you elected to carry back more than 2 years under section 172(b)(1)(H). Therefore, if an ATNOL that is carried back or carried forward to the tax year is attributable to any of those losses, the ATNOLD for the tax year is limited to the sum of:

1. The smaller of:
  - a. The sum of the ATNOL carrybacks and carryforwards to the tax year attributable to net operating losses other than those losses described in 2a below, or
  - b. 90% of AMTI for the tax year (figured without regard to the ATNOLD); plus
2. The smaller of:
  - a. The sum of the ATNOL carrybacks and carryforwards to the tax year attributable to qualified disaster losses, qualified Gulf Opportunity Zone losses, qualified recovery assistance losses, qualified disaster recovery assistance losses, and any 2008 or 2009 loss that you elected to carry back more than 2 years under section 172(b)(1)(H), or
  - b. 100% of AMTI for the tax year (figured without regard to the ATNOLD) reduced by the amount determined under (1).

Enter on line 2f the smaller of the ATNOLD or the ATNOLD limitation. Enter it as a negative amount.

Any ATNOL not used generally may be carried back 2 years or forward up to 20 years if it arose before your 2018 tax year. Any ATNOL arising after your 2020 tax year generally may be carried forward indefinitely. For more information about carryover periods and special rules for 2018 through 2020 losses, see Pub. 536.

The treatment of ATNOLs doesn't affect your regular tax NOL. However, if you elected under section 172(b)(3) to forgo the carryback period for the regular tax, the election also applies for the AMT.

### **Line 2g—Interest From Private Activity Bonds**

Enter on line 2g interest income from "specified private activity bonds" reduced (but not below zero) by any deduction that would have been allowable if the interest were includible in gross income for the regular tax. Each payer of this type of interest should

send you a Form 1099-INT showing the amount of this interest in box 9.

Generally, the term "specified private activity bond" means any private activity bond (as defined in section 141) the interest on which isn't includible in gross income for the regular tax, if the bond was issued after August 7, 1986. But specified private activity bonds generally don't include any bonds issued in 2009 or 2010. See section 57(a)(5) for other exceptions and more details.

Don't include interest on qualified Gulf Opportunity Zone bonds or qualified Midwestern disaster area bonds.

Exempt-interest dividends paid by a mutual fund or other regulated investment company are treated as interest income on specified private activity bonds to the extent the dividends are attributable to interest on the bonds received by the company, minus an allocable share of the expenses paid or incurred by the company in earning the interest. This amount should be reported to you on Form 1099-DIV in box 12.

If you are filing Form 8814, Parents' Election To Report Child's Interest and Dividends, include on this line any tax-exempt interest income from line 1b of that form that is a preference item.

### **Line 2h—Qualified Small Business Stock**

If you claimed the exclusion under section 1202 for gain on qualified small business stock acquired before September 28, 2010, and held more than 5 years, multiply the excluded gain (as shown on Form 8949 in column (g)) by 7% (0.07). Enter the result on line 2h as a positive amount.

### **Line 2i—Exercise of Incentive Stock Options**

For the regular tax, no income is recognized when an incentive stock option (ISO), as defined in section 422(b), is exercised. However, this rule doesn't apply for the AMT. Instead, you must generally include on line 2i the excess, if any, of:

1. The fair market value of the stock acquired through exercise of the option (determined without regard to any lapse restriction) when your rights in the acquired stock first become transferable or when these rights are no longer subject to a substantial risk of forfeiture; over

2. The amount you paid for the stock, including any amount you paid for the ISO used to acquire the stock.

Even if your rights in the stock aren't transferable and are subject to a substantial risk of forfeiture, you may elect to include in AMT income the excess of the stock's fair market value (determined without regard to any lapse restriction) over the exercise price upon the transfer to you of the stock acquired through exercise of the option. You must make the election by the 30th day after the date of the transfer. See Pub. 525, Taxable and Nontaxable Income, for more details.

If you acquired stock by exercising an ISO and you disposed of that stock in the same year, the tax treatment under the regular tax and the AMT is the same, and no adjustment is required.

Increase your AMT basis in any stock acquired through the exercise of an ISO by the amount of the adjustment. Keep adequate records for both the AMT and regular tax so that you can figure your adjustment. See the instructions for line 2k.

**Form 3921.** If you received a Form 3921, it may help you figure your adjustment.

**Example.** You exercised an ISO to acquire 100 shares of stock in 2021. Your rights in the acquired stock first became transferable on the date you exercised the ISO and weren't subject to a substantial risk of forfeiture. You didn't pay anything for the ISO. You didn't sell the acquired stock during 2021. You received a Form 3921 that shows \$10 in box 3 (the exercise price you paid for each share), \$25 in box 4 (the fair market value of each share on the exercise date), and 100 shares in box 5 (the number of shares you acquired). To figure your adjustment, multiply the amount in box 4, \$25, by the 100 shares in box 5. The result is \$2,500, the fair market value of all the shares. Then, multiply the amount in box 3, \$10, by the 100 shares in box 5. The result is \$1,000, the amount you paid for all the shares. Your adjustment is \$1,500 (\$2,500 – \$1,000). Enter it on Form 6251, line 2i.

## Line 2k—Disposition of Property

Your AMT gain or loss from the disposition of property may be different from your gain or loss for the regular tax. This is because the property may have a different adjusted basis for the AMT.

Use this line to report any AMT adjustment resulting from refiguring:

1. Gain or loss from the sale, exchange, or involuntary conversion of property reported on Form 4797, Sales of Business Property;
2. Casualty gain or loss to business or income-producing property reported on Form 4684, Casualties and Thefts;
3. Ordinary income from the disposition of property not already taken into account in (1) or (2) or on any other line on Form 6251, such as a disqualifying disposition of stock acquired in a prior year by exercising an incentive stock option; and
4. Capital gain or loss (including any carryover that is different for the AMT) reported on Form 8949, Sales and Other Dispositions of Capital Assets, or Schedule D (Form 1040), Capital Gains and Losses.

First figure any ordinary income adjustment related to (3) above. Then, refigure Form 4684, Form 4797, Form 8949, and Schedule D for the AMT, if applicable, by taking into account any adjustments you made this year or in previous years that affect your basis or otherwise result in a different amount for the AMT. When you refigure your gain or loss on Form 8949 for AMT, the amount of gain you elected to defer for regular tax purposes due to an investment in a qualified opportunity fund may need to be adjusted on your AMT Form 8949. An adjustment may be required if the regular tax and AMT adjusted basis of the property you sold prior to your investment is different.

If you have a capital loss after refiguring Schedule D for the AMT, apply the \$3,000 capital loss limitation separately to the AMT loss. Because the amount of your gains and losses may be different for the AMT, the amount of any capital loss carryover may also be different for the AMT. See the following example. To figure your AMT capital loss carryover, fill out an AMT Capital Loss Carryover Worksheet in the Schedule D instructions.

For each of the four items listed earlier, figure the difference between the amount included in taxable income for the regular tax and the amount included in income for the AMT. Include the difference as a negative amount on line 2k if (a) both the AMT and regular tax amounts are zero or more and the AMT amount is less than the regular tax amount; or (b) the AMT amount is a loss, and the regular tax amount is a smaller loss, or is zero or more.

Enter on line 2k the combined adjustments for the four items listed earlier.

**Example.** On March 13, 2020, Victor Ash, whose filing status is single, paid \$20,000 to exercise an ISO (which was granted to him on January 3, 2019) to buy 200 shares of stock worth \$200,000. The \$180,000 difference between his cost and the value of the stock at the time he exercised the option isn't taxable for the regular tax. His regular tax basis in the stock at the end of 2020 is \$20,000. For the AMT, however, Ash must include the \$180,000 as an adjustment on his 2020 Form 6251. His AMT basis in the stock at the end of 2020 is \$200,000.

On January 18, 2021, Ash sold 100 of the shares for \$75,000. Because Ash didn't hold these shares more than 1 year, that sale is a disqualifying disposition. For the regular tax, Ash has ordinary income of \$65,000 (\$75,000 minus his \$10,000 basis in the 100 shares). Ash has no capital gain or loss for the regular tax resulting from the sale. For the AMT, Ash has no ordinary income, but has a short-term capital loss of \$25,000 (\$75,000 minus his \$100,000 AMT basis in the 100 shares).

On April 21, 2021, Ash sold the other 100 shares for \$60,000. Because he held the shares for more than 1 year and more than 2 years had passed since the option was granted to him, the sale isn't a disqualifying disposition. For the regular tax, Ash has a long-term capital gain of \$50,000 (\$60,000 minus his regular tax basis of \$10,000). For the AMT, Ash has a long-term capital loss of \$40,000 (\$60,000 minus his AMT basis of \$100,000).

Ash has no other sales of stock or other capital assets for 2021. Ash enters a total negative adjustment of \$118,000 on line 2k of his 2021 Form 6251, figured as follows.

- Ash figures a negative adjustment of \$65,000 for the difference between the \$65,000 of regular tax ordinary income and the \$0 of AMT ordinary income for the first sale.
- For the regular tax, Ash has \$50,000 capital gain net income from the second sale. For the AMT, Ash has a \$25,000 short-term capital loss from the first sale, and a \$40,000 long-term capital loss from the second sale, resulting in a net capital loss of \$65,000 for the AMT. However, only \$3,000 of the \$65,000 net capital loss is allowed for 2021 for the AMT. The difference between the regular tax gain of \$50,000 and the \$3,000 loss allowed for the AMT results

in a \$53,000 negative adjustment to include on line 2k.

Ash has an AMT capital loss carryover from 2021 to 2022 of \$62,000, of which \$22,000 is short term and \$40,000 is long term. If he has no other Form 8949 or Schedule D transactions for 2022, his adjustment reported on his 2022 Form 6251 would be limited to (\$3,000), the amount of his capital loss limitation for 2022.

## Line 2l—Post-1986 Depreciation



*To avoid duplication, any AMT adjustment or tax preference item taken into account on this line shouldn't be taken into account in figuring the amount to enter on any other adjustment or tax preference item line of this form.*

This section describes when depreciation must be refigured for the AMT and how to figure the amount to enter on line 2l.

Don't use line 2l for depreciation related to the following.

- Passive activities. Take this adjustment into account on line 2m.
- An activity for which you aren't at risk. Take this adjustment into account on line 2n.
- Income or loss from a partnership or an S corporation if the basis limitations apply. Take this adjustment into account on line 2n.
- A tax shelter farm activity. Take this adjustment into account on line 3.

## What Depreciation Must Be Refigured for the AMT?

Generally, you must refigure depreciation for the AMT, including depreciation allocable to inventory costs, for:

- Property placed in service after 1998 that is depreciated for the regular tax using the 200% declining balance method (generally 3-, 5-, 7-, and 10-year property under the modified accelerated cost recovery system (MACRS), except for certain qualified property eligible for the special depreciation allowance (discussed later));
- Section 1250 property placed in service after 1998 that isn't depreciated for the regular tax using the straight line method; and
- Tangible property placed in service after 1986 and before 1999. (If the transitional election was made under section 203(a)(1)(B) of the Tax Reform

Act of 1986, this rule applies to property placed in service after July 31, 1986.)

## What Depreciation Isn't Refigured for the AMT?

Don't refigure depreciation for the AMT for the following.

- Residential rental property placed in service after 1998.
- Nonresidential real property with a class life of 27.5 years or more placed in service after 1998 that is depreciated for the regular tax using the straight line method.
- Other section 1250 property placed in service after 1998 that is depreciated for the regular tax using the straight line method.
- Property (other than section 1250 property) placed in service after 1998 that is depreciated for the regular tax using the 150% declining balance method or the straight line method.
- Property for which you elected to use the alternative depreciation system (ADS) of section 168(g) for the regular tax.
- Qualified property that is or was eligible for a special depreciation allowance if the depreciable basis of the property is the same for the AMT and the regular tax. This applies to any special depreciation allowance, including those for disaster assistance property, reuse and recycling property, cellulosic biofuel plant property, second generation biofuel plant property, New York Liberty Zone property, Gulf Opportunity Zone property, and Kansas disaster area recovery assistance property. The special allowance is deductible for the AMT, and no adjustment is required for any depreciation figured on the remaining basis of the qualified property because the depreciable basis of the property is the same for the AMT and the regular tax. If you elected not to have any special depreciation allowance apply, the property may be subject to an AMT adjustment for depreciation if it was placed in service before 2016. It isn't subject to an AMT adjustment for depreciation if it was placed in service after 2015.
- Any part of the cost of any property for which you elected to take a section 179 expense deduction. The reduction to the depreciable basis of section 179 property by the amount of the section 179 expense deduction is the same for the regular tax and the AMT.
- Motion picture films, videotapes, or sound recordings.

- Property depreciated under the unit-of-production method or any other method not expressed in a term of years.
- Indian reservation property that meets the requirements of section 168(j).
- A natural gas gathering line placed in service after April 11, 2005.

## How Is Depreciation Refigured for the AMT?

**Property placed in service before 1999.** Refigure depreciation for the AMT using ADS, with the same convention used for the regular tax. See the following table for the method and recovery period to use.

Property Placed in Service Before 1999	
IF the property is...	THEN use the...
section 1250 property	straight line method over 40 years.
tangible property (other than section 1250 property) depreciated using straight line method for the regular tax	straight line method over the property's AMT class life.
any other tangible property	150% declining balance method, switching to straight line method the first tax year it gives a larger deduction, over the property's AMT class life.

**Property placed in service after 1998.** Use the same convention and recovery period used for the regular tax. For property other than section 1250 property, use the 150% declining balance method, switching to straight line the first tax year it gives a larger deduction. For section 1250 property, use the straight line method.

## How Is the AMT Class Life Determined?

The class life used for the AMT isn't necessarily the same as the recovery period used for the regular tax. The class lives for the AMT are listed in Rev. Proc. 87-56, 1987-2 C.B. 674, and in Pub. 946, How To Depreciate Property. Use 12 years for any tangible personal property not assigned a class life.



See Pub. 946 for tables that can be used to figure AMT depreciation. Rev. Proc. 89-15, 1989-1 C.B. 816, has special rules for short years and for property disposed of before the end of the recovery period.

### How Is the Adjustment Figured?

Subtract the AMT deduction for depreciation from the regular tax deduction and enter the result. If the AMT deduction is more than the regular tax deduction, enter the difference as a negative amount.

In addition to the AMT adjustment to your deduction for depreciation, also adjust the amount of depreciation that was capitalized, if any, to account for the difference between the rules for the regular tax and the AMT. Include on this line the current year adjustment to taxable income, if any, resulting from the difference.

### Line 2m—Passive Activities

Refigure your passive activity gains and losses for the AMT by taking into account all adjustments and preferences and any AMT prior year unallowed losses that apply to that activity. You may fill out an AMT Form 8582, Passive Activity Loss Limitations, and AMT versions of the other forms or schedules on which your passive activities are reported, to determine your passive activity loss allowed for the AMT, but don't file the AMT versions of these forms and schedules with your tax return. Instead, keep them with your records.

**Example.** You are a partner in a partnership and the Schedule K-1 (Form 1065) you received shows the following.

- A passive activity loss of \$4,125.
- A depreciation adjustment of \$500 on post-1986 property.
- An adjustment of \$225 on the disposition of property.

Because the two adjustments above are from the passive activity and aren't allowed for the AMT, you must first reduce the passive activity loss by those amounts. The result is a passive activity loss for the AMT of \$3,400. You then enter this amount on the AMT Form 8582 and refigure the allowable passive activity loss for the AMT.



The amount of any AMT passive activity loss that isn't deductible and is carried forward is likely to differ from the regular tax amount, if any. Therefore, keep adequate records for both the AMT and regular tax.

Enter the difference between the amount that would be reported for the activity on Schedule C, E, or F or Form 4835, Farm Rental Income and Expenses, for the AMT and the regular tax amount. If (a) the AMT loss is more than the regular tax loss, (b) the AMT gain is less than the regular tax gain, or (c) you have an AMT loss and a regular tax gain, enter the adjustment as a negative amount.

Enter any adjustment for amounts reported on Form 8949, Schedule D, Form 4684, or Form 4797, for the activity on line 2k instead of line 2m. See the instructions for line 2k.

### Publicly Traded Partnership (PTP)

If you had a loss from a PTP, refigure the loss using any AMT adjustments and preferences and any AMT prior year unallowed loss.

### Tax Shelter Passive Farm Activities

Refigure any gain or loss from a tax shelter passive farm activity taking into account all AMT adjustments and preferences and any AMT prior year unallowed losses. If the amount is a gain, include it on the AMT Form 8582. If the amount is a loss, don't include it on the AMT Form 8582. Carry the loss forward to 2022 to see if you have a gain or loss from tax shelter passive farm activities for 2022.

### Insolvency

If at the end of the tax year your liabilities exceed the fair market value of your assets, increase your passive activity loss allowed by that excess (but not by more than your total loss). See section 58(c)(1).

### Line 2n—Loss Limitations



To avoid duplication, any AMT adjustment or tax preference item taken into account on this line shouldn't be taken into account in figuring the amount to enter on any other adjustment or tax preference item line of this form.

For passive activities, see the line 2m instructions instead. For tax shelter farm

activities (that aren't passive), see the line 3 instructions.

Refigure your gains and losses from activities for which you aren't at risk and basis limitations applicable to partnerships and S corporations by taking into account all AMT adjustments and preferences that apply. See sections 59(h), 465, 704(d), and 1366(d).

Enter the difference between the amount that would be reported for the activity on Schedule C, E, or F or Form 4835 for the AMT and the regular tax amount. If (a) the AMT loss is more than the regular tax loss, (b) the AMT gain is less than the regular tax gain, or (c) you have an AMT loss and a regular tax gain, enter the adjustment as a negative amount.



The AMT amount of any gain or loss from activities for which you aren't at risk is likely to differ from the regular tax amount. Your AMT basis in partnerships and S corporations is also likely to differ from your regular tax basis. Therefore, keep adequate records for both the AMT and regular tax.

Enter any adjustment for amounts reported on Form 8949, Schedule D, Form 4684, or Form 4797, for the activity on line 2k instead of line 2n.

### Line 2o—Circulation Costs



Don't make this adjustment for costs for which you elected the optional 3-year write-off for the regular tax.

Circulation costs (expenditures to establish, maintain, or increase the circulation of a newspaper, magazine, or other periodical) deducted in full for the regular tax in the year they were paid or incurred must be capitalized and amortized over 3 years for the AMT. Enter the difference between the regular tax and AMT deduction. If the AMT deduction is more than the regular tax deduction, enter the difference as a negative amount.

If you had a loss on property for which circulation costs haven't been fully amortized for the AMT, your AMT deduction is the smaller of (a) the loss allowable for the costs had they remained capitalized, or (b) the remaining costs to be amortized for the AMT.

## Line 2p—Long-Term Contracts



*To avoid duplication, any AMT adjustment or tax preference item taken into account on this line shouldn't be taken into account in figuring the amount to enter on any other adjustment or tax preference item line of this form.*

For the AMT, you must generally use the percentage-of-completion method described in section 460(b) to determine your income from any long-term contract (defined in section 460(f)). However, this rule doesn't apply to any home construction contract (as defined in section 460(e)(5) (formerly designated 460(e)(6))). For contracts excepted from the percentage-of-completion method for the regular tax by section 460(e)(1), use the simplified procedures for allocating costs outlined in section 460(b)(3) to determine the percentage of completion.

Enter the difference between the AMT and regular tax income. If the AMT income is smaller, enter the difference as a negative amount.

**Note.** If you are required to use the percentage-of-completion method for either the regular tax or the AMT, you may owe or be entitled to a refund of interest for the tax year the contract is completed or adjusted. For details, see Form 8697, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts.

## Line 2q—Mining Costs



*Don't make this adjustment for costs for which you elected the optional 10-year write-off for the regular tax.*

Mining exploration and development costs deducted in full for the regular tax in the tax year they were paid or incurred must be capitalized and amortized over 10 years for the AMT. Enter the difference between the regular tax and AMT deduction. If the AMT deduction is more than the regular tax deduction, enter the difference as a negative amount.

If you had a loss on property for which mining costs haven't been fully amortized for the AMT, your AMT deduction is the smaller of (a) the loss allowable for the costs had they remained capitalized, or (b) the remaining costs to be amortized for the AMT.

## Line 2r—Research and Experimental Costs



*Don't make this adjustment for costs paid or incurred in connection with an activity in which you materially participated under the passive activity rules or for costs for which you elected the optional 10-year write-off for the regular tax.*

Research and experimental costs deducted in full for the regular tax in the tax year they were paid or incurred must be capitalized and amortized over 10 years for the AMT. Enter the difference between the regular tax and AMT deduction. If the AMT deduction is more than the regular tax deduction, enter the difference as a negative amount.

If you had a loss on property for which research and experimental costs haven't been fully amortized for the AMT, your AMT deduction is the smaller of (a) the loss allowable for the costs had they remained capitalized, or (b) the remaining costs to be amortized for the AMT.

## Line 2s—Installment Sales

The installment method doesn't apply for the AMT to any nondealer disposition of property after August 16, 1986, but before January 1, 1987, if an installment obligation to which the proportionate disallowance rule applied arose from the disposition. Enter the amount of installment sale income reported for the regular tax as a negative amount on line 2s.

## Line 2t—Intangible Drilling Costs (IDCs)



*Don't make this adjustment for costs for which you elected the optional 60-month write-off for the regular tax.*

IDCs from oil, gas, and geothermal wells are a preference to the extent that the excess IDCs are more than 65% of the net income from the wells. Figure the preference for all oil and gas properties separately from the preference for all geothermal properties.

**Excess IDCs.** Figure excess IDCs as follows.

**Step 1.** Determine the amount of your IDCs allowed for the regular tax under section 263(c), but don't include any section 263(c) deduction for nonproductive wells.

**Step 2.** Subtract from the amount determined in *Step 1* the amount that would have been allowed had you

amortized these IDCs over a 120-month period starting with the month the well was placed in production. If you prefer not to use the 120-month period, you can elect to use any method that is permissible in determining cost depletion.

**Net income.** Determine net income by reducing the gross income that you received or accrued during the tax year from all oil, gas, and geothermal wells by the deductions allocable to those wells (reduced by the excess IDCs). When refiguring net income, use only income and deductions allowed for the AMT.

**Exception.** The preference for IDCs from oil and gas wells doesn't apply to taxpayers who are independent producers (that is, not integrated oil companies as defined in section 291(b)(4)). However, this benefit may be limited. First, figure the IDC preference as if this exception didn't apply. Then, for purposes of this exception, complete Form 6251 through line 3, including the IDC preference and treating line 2f as if it were zero, and combine lines 1 through 3. If the amount of the IDC preference exceeds 40% of the total of lines 1 through 3 (figured as described in the preceding sentence), enter the excess on line 2t (your benefit from this exception is limited). Otherwise, don't enter an amount on line 2t (your benefit from this exception isn't limited).

## Line 3—Other Adjustments

Enter on line 3 the total of any other adjustments that apply to you, including the following.

### Depreciation Figured Using Pre-1987 Rules

This preference generally applies only to property placed in service after 1987, but depreciated using pre-1987 rules due to transitional provisions of the Tax Reform Act of 1986.

For the AMT, you must use the straight line method to figure depreciation on real property for which accelerated depreciation was determined using pre-1987 rules. Use a recovery period of 19 years for 19-year real property and 15 years for low-income housing. For leased personal property other than recovery property, enter the amount by which your regular tax depreciation using the pre-1987 rules exceeds the depreciation allowable using the straight line method. For leased 10-year recovery property and leased 15-year

public utility property, enter the amount by which your regular tax depreciation exceeds the depreciation allowable using the straight line method with a half-year convention, no salvage value, and a recovery period of 15 years (22 years for 15-year public utility property).

Figure the excess of the regular tax depreciation over the AMT depreciation separately for each property and include on line 3 only positive amounts.

### Pollution Control Facilities

The section 169 election to amortize the basis of a certified pollution control facility over a 60-month or 84-month period isn't available for the AMT. For facilities placed in service before 1999, figure the AMT deduction using ADS. For facilities placed in service after 1998, figure the AMT deduction under MACRS using the straight line method. Enter the difference between the regular tax and AMT deduction. If the AMT deduction is more than the regular tax deduction, enter the difference as a negative amount.

### Tax Shelter Farm Activities

Figure this adjustment only if you have a gain or loss from a tax shelter farm activity (as defined in section 58(a)(2)) that isn't a passive activity. If the activity is passive, you must include it with your other passive activities on line 2m.

Refigure all gains and losses you reported for the regular tax from tax shelter farm activities by taking into account any AMT adjustments and preferences. Determine your tax shelter farm activity gain or loss for the AMT using the same rules you used for the regular tax with the following modifications.

- No refigured loss is allowed, except to the extent you are insolvent (see section 58(c)(1)).
- Don't use a refigured loss in the current tax year to offset gains from other tax shelter farm activities. Instead, suspend any refigured loss and carry it forward indefinitely until (a) you have a gain in a subsequent tax year from that same activity, or (b) you dispose of the activity.

Enter the difference between the amount that would be reported for the activity on Schedule E or F or Form 4835 for the AMT and the regular tax amount. If (a) the AMT loss is more than the regular tax loss, (b) the AMT gain is less than the regular tax gain, or (c) you have an AMT loss and a regular tax

gain, enter the adjustment as a negative amount.

Enter any adjustment for amounts reported on Form 8949, Schedule D, Form 4684, or Form 4797 for the activity on line 2k instead of line 3.

### Charitable Contributions of Certain Property

If you made a charitable contribution of property to which section 170(e) applies and you had a different basis for AMT purposes, you may have to make an adjustment. See section 170(e) for details.

### Business Interest Limitation

Complete an AMT Form 8990 using amounts adjusted for AMT. Enter the difference between the AMT and regular tax allowable interest expense. If line 30 of the AMT Form 8990 is more than the amount on line 30 of the regular tax Form 8990, enter the difference as a negative amount.

### Biofuel Producer Credit and Biodiesel and Renewable Diesel Fuels Credit

If your taxable income includes the amount of the biofuel producer credit or biodiesel and renewable diesel fuels credit, include that amount as a negative amount on line 3.

### Mortgage Interest

If you deducted home mortgage interest on Schedule A for a dwelling that isn't a principal residence (within the meaning of section 121) or qualified dwelling for AMT, include that deducted interest on line 3. A qualified dwelling for AMT is a house, apartment, condominium, or mobile home not used on a transient basis. A qualified dwelling for AMT doesn't include house boats and recreational vehicles.

### Net Qualified Disaster Loss

If you filed Schedule A to claim an increased standard deduction on Form 1040 or Form 1040-SR due to a loss you suffered related to property in a federally declared disaster area, then include on line 3 the standard deduction amount you listed on the dotted line next to Schedule A, line 16, as your "Standard Deduction Claimed With Qualified Disaster Loss."

If you filed Schedule A to itemize your deductions, then don't make this adjustment.

### Related Adjustments

If you have an entry on line 2c because you deducted investment interest allocable to an interest in a trade or business, or on line 2d, 2h, 2i, or 2k through 2t, or you have any amount included on line 3 from pre-1987 depreciation, pollution control facilities, or tax shelter farm activities, you may have to refigure any item of income or deduction based on a limit of income other than AGI or modified AGI.

- Affected items include the following.
- Section 179 expense deduction (Form 4562, line 12).
  - Expenses for business or rental use of your home.
  - Conservation expenses (Schedule F (Form 1040), line 12).
  - Taxable IRA distributions (Form 1040, 1040-SR, or 1040-NR, line 4b), if prior year IRA deductions were different for the AMT and the regular tax.
  - Self-employed health insurance deduction (Schedule 1 (Form 1040), line 17).
  - Self-employed SEP, SIMPLE, and qualified plans deduction (Schedule 1 (Form 1040), line 16).
  - IRA deduction (Schedule 1 (Form 1040), line 20), affected by the earned income limitation of section 219(b)(1) (B).

Figure the difference between the AMT and regular tax amount for each item. Combine the amounts for all your related adjustments and include the total on line 3. Keep a copy of all computations for your records, including any AMT carryover and basis amounts.



*Don't include on line 3 any adjustment for an item you refigured on another line of this form (for example, line 2d).*

**Example.** On your Schedule C (Form 1040), you have a net profit of \$9,000 before figuring your section 179 deduction. You don't report any other business income on your return. During the year, you purchased an asset for \$10,000 for which you elect to take the section 179 deduction. You also have an AMT depreciation adjustment of \$700 for other assets depreciated on your Schedule C.

Your section 179 deduction for the regular tax is limited to your net profit (before any section 179 deduction) of



\$9,000. The \$1,000 excess is a section 179 deduction carryforward for the regular tax.

For the AMT, your net profit is \$9,700, and you are allowed a section 179 deduction of \$9,700 for the AMT. You have a section 179 deduction carryforward of \$300 for the AMT.

You include a \$700 negative adjustment on line 3 because your section 179 deduction for the AMT is \$700 greater than your allowable regular tax deduction. In the following year, when you use the \$1,000 regular tax carryforward, you will have a \$700 positive related adjustment for the AMT because your AMT carryforward is only \$300.

### Line 4—Alternative Minimum Taxable Income

If your filing status is married filing separately and line 4 is more than \$752,800, you must include an additional amount on line 4. If line 4 is \$982,000 or more, include an additional \$57,300. Otherwise, include 25% of the excess of the amount on line 4 over \$752,800. For example, if the amount on line 4 is \$772,800, enter \$777,800 instead—the additional \$5,000 is 25% of \$20,000 (\$772,800 minus \$752,800).

### Special Rule for Holders of a Residual Interest in a REMIC

If you held a residual interest in a real estate mortgage investment conduit (REMIC) in 2021, the amount you enter on line 4 may not be less than the

amount on Schedule E, line 38, column (c). If the amount in column (c) is larger than the amount you would otherwise enter on line 4, enter the amount from column (c) instead and enter “Sch. Q” on the dotted line next to line 4.

If your filing status is married filing separately, be sure to include the additional amount that must be added to line 4 (as explained above) before you compare line 4 with the amount on Schedule E, line 38, column (c).

## Part II—Alternative Minimum Tax

### Line 5—Exemption Amount

If line 4 is more than the amount shown for your filing status in the middle column of the chart on line 5, see the Exemption Worksheet to figure the amount to enter on line 5.

**Form 1040-NR.** If you are filing Form 1040-NR, use the following chart to figure the amount to enter on line 5. However, if line 4 is more than the amount shown for your filing status in the middle column of the chart, use the Exemption Worksheet to figure the amount to enter on line 5.

IF your filing status is...	AND line 4 is not over...	THEN enter on line 5...
Single	\$ 523,600	\$ 73,600
Married filing separately	523,600	57,300
Qualifying widow(er)	1,047,200	114,600

### Line 7

If you claimed the foreign earned income exclusion, housing exclusion, or housing deduction on Form 2555, you must use the Foreign Earned Income Tax Worksheet in these instructions to figure the amount to enter on line 7.

**Form 1040-NR.** If you are filing Form 1040-NR and you reported capital gain distributions directly on Form 1040-NR, line 7; you reported qualified dividends on Form 1040-NR, line 3a; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III of Form 6251 and enter the amount from line 40 on line 7. All other Form 1040-NR filers, don't complete Part III. Instead, if Form 6251, line 6, is \$199,900 or less (\$99,950 or less if married filing separately), figure the amount to enter on line 7 by multiplying line 6 by 26% (0.26). Otherwise, figure the amount to enter on line 7 by multiplying line 6 by 28% (0.28) and subtracting \$3,998 (\$1,999 if married filing separately) from the result.

### Line 8—Alternative Minimum Tax Foreign Tax Credit (AMTFTC)

The AMTFTC is a credit that you can claim against the AMT. You will figure the AMTFTC using the same limitation rules that apply to the foreign tax credit for regular tax purposes, but with AMT amounts. However, you may be able to simplify your AMTFTC calculation by electing to use some of the same amounts you used to figure your foreign tax credit. See [Simplified Limitation Election](#), later, for more information.

**Do I need to fill out line 8?** Before figuring your AMTFTC, figure your foreign tax credit for the regular tax and complete Schedule 3 (Form 1040), line 1. Next, fill in Form 6251, line 10, as instructed. If the amount on line 10 is greater than or equal to the amount on line 7, do the following.

- Leave line 8 blank and enter -0- on line 11.
- See [Who Must File](#), earlier, to find out if you must attach Form 6251 to your return.

### Exemption Worksheet—

#### Line 5

Keep for Your Records



**Note.** If Form 6251, line 4, is equal to or more than: \$818,000 if single or head of household, \$1,505,600 if married filing jointly or qualifying widow(er), or \$752,800 if married filing separately, your exemption is zero. **Don't** complete this worksheet; instead, enter the amount from Form 6251, line 4, on line 6 and go to line 7.

1. Enter: \$73,600 if single or head of household; \$114,600 if married filing jointly or qualifying widow(er); \$57,300 if married filing separately . . . . . 1. \_\_\_\_\_
2. Enter your alternative minimum taxable income (AMTI) from Form 6251, line 4 . . . . . 2. \_\_\_\_\_
3. Enter: \$523,600 if single or head of household; \$1,047,200 if married filing jointly or qualifying widow(er); \$523,600 if married filing separately . . . . . 3. \_\_\_\_\_
4. Subtract line 3 from line 2. If zero or less, enter -0- . . . . . 4. \_\_\_\_\_
5. Multiply line 4 by 25% (0.25) . . . . . 5. \_\_\_\_\_
6. Subtract line 5 from line 1. If zero or less, enter -0-. Also, enter this amount on Form 6251, line 5, and go to Form 6251, line 6 . . . . . 6. \_\_\_\_\_

- Determine if you can carry back or carry forward your unused 2021 AMTFTC. See [AMTFTC Carryback and Carryforward](#), later. If you can carry back or carry forward your unused 2021 AMTFTC, you will need to complete line 8 for your records.

If the amount on line 10 is less than the amount on line 7, figure your AMTFTC and enter it on line 8.

**Figuring the AMTFTC.** If you made an election to claim the foreign tax credit on your 2021 tax return without filing Form 1116, your AMTFTC is the same as the foreign tax credit on Schedule 3 (Form 1040), line 1. Enter that amount on Form 6251, line 8. For more information about electing to claim your foreign tax credit without filing Form 1116, see the Instructions for Form 1116.

Otherwise, figure your AMTFTC as follows.

**Step 1.** Separate your foreign source income into categories. See the Instructions for Form 1116 for information about categories of income. Complete a separate AMT Form 1116 for each separate category of income. Write “AMT” and specify the category of income in the top margin of each Form 1116.

**Figuring high-taxed income.**

When applying the separate categories of income, use the applicable AMT rate

instead of the regular tax rate to determine if any income is “high-taxed.”

**Step 2.** Complete Part I of each AMT Form 1116 using only income and deductions that are allowed for the AMT and attributable to sources outside the United States.

**Simplified limitation election.** If you previously made or are making the simplified limitation election, skip Part I and go to *Step 3*. For more information about the simplified limitation election, see [Simplified Limitation Election](#), later.

**Foreign source qualified dividends and capital gains.** If you have any foreign source qualified dividends or foreign source capital gains (including any foreign source capital gain distributions) or losses, use the following instructions to determine whether you must make adjustments to those amounts before you include the amounts on line 1a or line 5 of the AMT Form 1116.

**Foreign qualified dividends.** You must adjust your foreign source qualified dividends before you include those amounts on line 1a of the AMT Form 1116 if:

- Line 38 of Form 6251 is smaller than line 39, and
- Line 17 of Form 6251 is greater than zero.

But you don’t need to make any adjustments if:

- You qualify for the adjustment exception under *Qualified Dividends and Capital Gain Tax Worksheet (Individuals)* or *Adjustments to foreign qualified dividends* under *Schedule D Filers* in the Instructions for Form 1116, and
- Line 17 of Form 6251 isn’t more than \$199,900 (\$99,950 if married filing separately (on Form 1040, 1040-SR or 1040-NR)).

Use your capital gains and losses as refigured for the AMT to determine whether your total amounts are less than the \$20,000 threshold under the adjustment exception. If you qualify for the adjustment exception, your election also applies when you determine whether you must adjust your capital gain distributions or other capital gains or losses. It also applies to *Step 4*.

To adjust your foreign source qualified dividends, multiply your foreign source qualified dividends in each separate category by 0.5357 if the foreign source qualified dividends are taxed at a rate of 15%, and by 0.7143 if they are taxed at a rate of 20%. Include the results on line 1a of the applicable AMT Form 1116.

You adjust your foreign source qualified dividends taxed at the 0% rate by **not** including them on line 1a. Amounts taxed at the 0% rate are on

**Foreign Earned Income Tax Worksheet—Line 7**

Keep for Your Records



**Before you begin:** ✓ If Form 6251, line 6, is zero, don’t complete this worksheet.

1.	Enter the amount from Form 6251, line 6 .....	1.	_____
2a.	Enter the amount from your (and your spouse's if filing jointly) Form 2555, lines 45 and 50 .....	2a.	_____
b.	Enter the total amount of any itemized deductions or exclusions you couldn't claim because they are related to excluded income .....	2b.	_____
c.	Subtract line 2b from line 2a. If zero or less, enter -0- .....	2c.	_____
3.	Add lines 1 and 2c .....	3.	_____
4.	<b>Tax on the amount on line 3.</b> <ul style="list-style-type: none"> <li>• If you reported capital gain distributions directly on Form 1040 or 1040-SR, line 7; <b>or</b> you reported qualified dividends on Form 1040 or 1040-SR, line 3a; <b>or</b> you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), enter the amount from line 3 of this worksheet on Form 6251, line 12. Complete the rest of Part III of Form 6251. However, before completing Part III, see <i>Form 2555</i>, later, to see if you must complete Part III with certain modifications. Then, enter the amount from Form 6251, line 40, here.</li> <li>• <b>All others:</b> If line 3 is \$199,900 or less (\$99,950 or less if married filing separately), multiply line 3 by 26% (0.26). Otherwise, multiply line 3 by 28% (0.28) and subtract \$3,998 (\$1,999 if married filing separately) from the result.</li> </ul>	4.	_____
5.	<b>Tax on the amount on line 2c.</b> If line 2c is \$199,900 or less (\$99,950 or less if married filing separately), multiply line 2c by 26% (0.26). Otherwise, multiply line 2c by 28% (0.28) and subtract \$3,998 (\$1,999 if married filing separately) from the result .....	5.	_____
6.	Subtract line 5 from line 4. Enter the result here and on Form 6251, line 7 .....	6.	_____

line 9 of the Qualified Dividends and Capital Gain Tax Worksheet or line 22 of the Schedule D Tax Worksheet.



*Don't adjust the amount of any foreign source qualified dividends you elected to include on line 4g of AMT Form 4952.*

**Individuals with capital gain distributions only.** If you have no capital gains or losses other than capital gain distributions from box 2a of Form(s) 1099-DIV or substitute statement(s), you must adjust your foreign source capital gain distributions if you are required to adjust your foreign source qualified dividends under the rules just described or you would be required to adjust your foreign source qualified dividends if you had any.

To adjust your foreign source capital gain distributions, multiply your foreign source capital gain distributions in each separate category by 0.5357 if the foreign source capital gain distributions are taxed at a rate of 15%, and by 0.7143 if they are taxed at a rate of 20%. Include the results on line 1a of the applicable AMT Form 1116.

You adjust your foreign source capital gain distributions taxed at the 0% rate by **not** including them on line 1a. Amounts taxed at the 0% rate are on line 9 of the Qualified Dividends and Capital Gain Tax Worksheet or line 22 of the Schedule D Tax Worksheet.



*Don't adjust the amount of any foreign source capital gain distributions you elected to include on line 4g of AMT Form 4952.*

**Individuals with other capital gains or losses.** If any capital gain or loss is different for the AMT, use amounts as refigured for the AMT to complete this step. Use Worksheet A in the Instructions for Form 1116 to determine the adjustments you must make to your foreign source capital gains or losses (as refigured for the AMT) if you have foreign source capital gains or losses (as refigured for the AMT) in no more than two separate categories and any of the following apply.

- You aren't required to make adjustments to your foreign source qualified dividends under the rules described earlier (or you wouldn't be required to make those adjustments if you had foreign source qualified dividends).
- Line 15 or 16 of the AMT Schedule D (Form 1040) is zero or a loss.

- On the AMT Qualified Dividends and Capital Gain Tax Worksheet, (a) line 3 of that worksheet is zero or less, (b) line 5 of that worksheet is zero, or (c) line 23 of that worksheet is equal to or greater than line 24.

- On the AMT Schedule D Tax Worksheet, (a) line 18 is zero, (b) line 9 is zero or less, or (c) line 45 is equal to or greater than line 46.

Use Worksheet B in the Instructions for Form 1116 if you:

- Can't use Worksheet A,
- Have foreign source capital gains and losses in no more than two separate categories,
- Didn't have any item of unrecaptured section 1250 gain or 28% rate gain or loss for the AMT, and
- Don't have any capital gains taxed at a rate of 0% or 20%.

**Instructions for Worksheets A and B.** When you complete Worksheet A or Worksheet B, use foreign source capital gains and losses, as refigured for the AMT if necessary, and don't use any foreign source capital gains you elected to include on line 4g of AMT Form 4952. If you are required to complete a Schedule D for the AMT, use line 16 of that AMT Schedule D to complete line 3 of Worksheet A or line 4 of the Line 2 Worksheet for Worksheet B. Use 0.5357 instead of the number used for regular tax to complete lines 11, 13, and 15 of Worksheet B and to complete lines 8, 11, and 17 of the Line 15 Worksheet for Worksheet B.

If you don't qualify to use Worksheet A or Worksheet B, use the instructions for *Capital Gains and Losses* in Pub. 514 to determine the adjustments you make. When using the instructions in Pub. 514 to determine if you must adjust foreign source capital gains and losses, make the following substitutions.

- When the amount of any AMT gain is in the 15% rate group, multiply it by 0.5357 instead of the number used for regular tax.
- When the amount of any AMT gain is in the 20% rate group, multiply it by 0.7143 instead of the number used for regular tax.
- When the amount of any AMT gain is in the 25% rate group, multiply it by 0.8929 instead of the number used for regular tax.
- When the amount of any AMT gain is in the 28% rate group, multiply it by 1.0 instead of the number used for regular tax.

**Step 3.** Complete Part II and lines 9 through 17 of the AMT Form 1116. Use your AMTFTC carryover, if any, on

line 10.

**Simplified limitation election.** If you previously made or are making the simplified limitation election, complete Part II and lines 9 through 14. Use your AMTFTC carryover, if any, on line 10. Skip lines 15 and 16. Enter on your AMT Form 1116, line 17, the same amount you entered on that line for the regular tax.

**Step 4.** Enter the amount from line 4 of Form 6251 on line 18 of the AMT Form 1116 unless you must complete an AMT Worksheet for Line 18. In most cases, you must complete an AMT Worksheet for Line 18 if you completed Part III of Form 6251 and:

- Line 38 of Form 6251 is smaller than line 39, and
- Line 17 of Form 6251 is greater than zero.

But even if you meet the requirements above, you don't need to complete an AMT Worksheet for Line 18 if:

- You qualify for the adjustment exception under *Qualified Dividends and Capital Gain Tax Worksheet (Individuals)* or *Adjustments to foreign qualified dividends under Schedule D Filers* in the Instructions for Form 1116, and
- Line 17 of Form 6251 isn't more than \$199,900 (\$99,950 if married filing separately (on Form 1040, 1040-SR, or 1040-NR)).

**Note.** Use your capital gains and losses as refigured for the AMT to determine whether your total amounts are less than the \$20,000 threshold under the adjustment exception. If you have any foreign source qualified dividends or capital gains (or losses), then you must make the same adjustment exception election you made in *Step 2*.

**Instructions for AMT Worksheet for Line 18.** If you must complete an AMT Worksheet for Line 18 for your AMT Form 1116, you will use the Worksheet for Line 18 in the Instructions for Form 1116 and do the following.

1. Enter the amount from Form 6251, line 4, on line 1 of the worksheet.
2. Skip lines 2 and 3 of the worksheet.
3. Enter the amount from Form 6251, line 36, on line 4 of the worksheet.
4. Multiply line 4 of the worksheet by 0.1071 (instead of the number used for regular tax). Enter the result on line 5 of the worksheet.

5. Enter the amount from Form 6251, line 33, on line 6 of the worksheet.

6. Multiply line 6 of the worksheet by 0.2857 (instead of the number used for regular tax). Enter the result on line 7 of the worksheet.

7. Enter the amount from Form 6251, line 30, on line 8 of the worksheet.

8. Multiply line 8 of the worksheet by 0.4643 (instead of the number used for regular tax). Enter the result on line 9 of the worksheet.

9. Enter the amount from Form 6251, line 23, on line 10 of the worksheet.

10. Complete lines 11 and 12 of the worksheet, as instructed on the worksheet.

11. Enter the amount from your AMT Worksheet for Line 18 on your AMT Form 1116, line 18.

**Step 5.** Enter the amount from Form 6251, line 7, on the AMT Form 1116, line 20. Complete lines 19 through 24 of the AMT Form 1116.

**Step 6.** Complete Part IV of the first AMT Form 1116 only.

Enter on Form 6251, line 8, the amount from line 35 of the first AMT Form 1116.

Attach to your tax return, after Form 6251, all AMT Forms 1116 you used to figure your AMTFTC. But don't attach AMT Forms 1116 if your AMTFTC is the same as your regular tax foreign tax credit.

### AMTFTC Carryback and Carryforward

If your AMTFTC is limited, the unused amount may generally be carried back or forward according to section 904(c).

**No AMTFTC carryback or carryforward allowed in 2021.** If you made the election to claim the foreign tax credit on your 2021 tax return without filing Form 1116, any unused AMTFTC for 2021 can't be carried back or forward. In addition, you can't claim any unused AMTFTC from another year in 2021.

For more information about electing to claim your foreign tax credit without filing Form 1116, see the Instructions for Form 1116.

### Simplified Limitation Election

You may elect to use a simplified section 904 limitation to figure your AMTFTC. If you do, when figuring your AMTFTC, you will use the same net foreign source income for AMT that you

used for regular tax. (The amount on line 17 of your AMT Form 1116 will be the same as the amount on line 17 of your regular tax Form 1116.) You must make the election for the first tax year after 1997 for which you claim an AMTFTC. If you don't make the election for that year, you may not make it for a later year. Once made, the election applies to all later tax years and may be revoked only with IRS consent.

### Line 10

If you file Form 8978, Partner's Additional Reporting Year Tax, you will need to decrease the amount you report on Form 6251, line 10, by any negative amount reported on Form 8978, line 14 (treated as a positive number). If any additional guidance is provided related to reporting amounts from Form 8978 on Form 6251, we will post it at [IRS.gov/Form6251](https://www.irs.gov/Form6251) under Recent Developments.

If you file Schedule J, Income Averaging for Farmers and Fishermen, to figure your tax on Form 1040, 1040-SR, or 1040-NR, line 16, you must refigure that tax (including any tax from Form 8814) without using Schedule J before completing this line. This is only for Form 6251; don't change the amount on Form 1040, 1040-SR, or 1040-NR, line 16.

**Form 1040-NR.** If you are filing Form 1040-NR, add Form 1040-NR, line 16 (minus any tax from Form 4972, Tax on Lump-Sum Distributions) and Schedule 2 (Form 1040), line 2. Subtract from the result Schedule 3 (Form 1040), line 1 and any negative amount reported on Form 8978, line 14 (treated as a positive number). If zero or less, enter -0-. If you file Schedule J to figure your tax on Form 1040-NR, line 16, refigure that tax without using Schedule J before completing Form 6251, line 10 (see preceding paragraph).

### Line 11

If you are filing Form 1040-NR, enter the amount from line 11 on Schedule 2 (Form 1040), line 1.

## Part III—Tax Computation Using Maximum Capital Gains Rates

### Lines 13, 14, and 15

Determine if any of the following statements apply.

1. The gain or loss from any transaction reported on Form 8949 or Schedule D is different for the AMT (for example, because of a different basis for the AMT due to depreciation

adjustments, an ISO adjustment, or a different AMT capital loss carryover from 2020).

2. You didn't complete either the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax Worksheet because Form 1040, 1040-SR, or Form 1040-NR, line 15, is zero.

3. You received a Schedule K-1 (Form 1041) that shows an amount in box 12 with code B, C, D, E, or F.

Then, use the following instructions that apply to you.

- If none of the statements apply, go to [None of the statements apply](#), later.
- If only statement (2) applies, go to [Only statement \(2\) applies](#), later.
- If statement (3) applies (by itself or in combination with statement (1) or (2)), go to [Beneficiaries of estates or trusts](#) first, then go to [Statement \(1\) or \(3\) applies](#), later.
- For all other situations, go to [Statement \(1\) or \(3\) applies](#), later.

**None of the statements apply.** If (1), (2), or (3) don't apply, then for Part III of these instructions, the AMT versions of your Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, Unrecaptured Section 1250 Gain Worksheet, 28% Rate Gain Worksheet, and Schedule D will be the same as those you used for regular tax purposes. Use the regular tax amounts to complete lines 13, 14, and 15.

If you filed Form 2555, see [Form 2555](#), later, for additional modifications you may have to make before entering amounts on lines 13, 14, and 15.

**Statement (1) or (3) applies.** If (1) applies, complete all of the following steps. If (3) applies, but (1) doesn't, complete steps 2 through 4 only.

**Step 1.** Complete an AMT Form 8949 or, if applicable, lines 1a and 8a of an AMT Schedule D, by refiguring, for example, your basis for the AMT.

**Step 2.** Complete lines 1b through 20 of an AMT Schedule D.

**Step 3.** Complete lines 2 through 4 of an AMT Qualified Dividends and Capital Gain Tax Worksheet or lines 2 through 13 of an AMT Schedule D Tax Worksheet, whichever applies. (See line 20 of your AMT Schedule D, if you completed one, to determine which worksheet applies.)

Complete lines 3 and 4 of the AMT Schedule D Tax Worksheet, using your AMT Form 4952.

**Step 4.** Use amounts from the AMT Qualified Dividends and Capital Gain Tax Worksheet or AMT Schedule D Tax Worksheet, whichever applies, and the AMT Schedule D to complete lines 13, 14, and 15.

If you filed Form 2555, see [Form 2555](#), later, for additional modifications you may have to make before entering amounts on lines 13, 14, and 15.


**Only statement (2) applies.** If (2) applies, but (1) and (3) don't, complete the following steps.

**Step 1.** Complete lines 2 through 4 of an AMT Qualified Dividends and Capital Gain Tax Worksheet or lines 2 through 13 of an AMT Schedule D Tax Worksheet, whichever applies. (See line 20 of your Schedule D to determine which worksheet applies.)

Complete lines 3 and 4 of the AMT Schedule D Tax Worksheet, using your AMT Form 4952.

**Step 2.** Use amounts from the AMT Qualified Dividends and Capital Gain Tax Worksheet or AMT Schedule D Tax Worksheet, whichever applies, and the Schedule D you used for regular tax to complete lines 13, 14, and 15.

If you filed Form 2555, see [Form 2555](#), later, for additional modifications you may have to make before entering amounts on lines 13, 14, and 15.

 **Keep the AMT Form 8949, AMT Schedule D, and the applicable AMT worksheet for your records, but don't attach any of them to your tax return.**

**Note.** Don't decrease your section 1202 exclusion by the amount, if any, on line 2h.

**Form 2555.** If you are filing Form 2555 and you have an AMT capital gain excess, you must complete Part III of Form 6251 with certain modifications. To see if you have an AMT capital gain excess, subtract Form 6251, line 6, from line 4 of your AMT Qualified Dividends and Capital Gain Tax Worksheet or line 10 of your AMT Schedule D Tax Worksheet, whichever applies. If the result is greater than zero, that amount is your AMT capital gain excess.

If you have AMT capital gain excess, figure the amounts to enter on lines 13, 14, and 15 of Form 6251 using the following modifications (only for purposes of Part III of Form 6251).

1. Reduce the amount you would otherwise enter on line 3 of your AMT Qualified Dividends and Capital Gain

Tax Worksheet or line 9 of your AMT Schedule D Tax Worksheet (but not below zero) by your AMT capital gain excess.

2. Reduce the amount you would otherwise enter on line 2 of your AMT Qualified Dividends and Capital Gain Tax Worksheet or line 6 of your AMT Schedule D Tax Worksheet (but not below zero) by any of your AMT capital gain excess not used in (1).

3. Reduce the amount on your AMT Schedule D (Form 1040), line 18, (but not below zero) by your AMT capital gain excess.

4. Include your AMT capital gain excess as a loss on line 16 of your AMT Unrecaptured Section 1250 Gain Worksheet in the Instructions for Schedule D (Form 1040).

Also see the instructions for line 20.

**Beneficiaries of estates or trusts.** If you received a Schedule K-1 (Form 1041) that shows an adjustment in box 12, follow the instructions in the following table.

IF the code in box 12 is...	THEN include that adjustment in figuring the amount on...
B	line 2 of an AMT Qualified Dividends and Capital Gain Tax Worksheet or an AMT Schedule D Tax Worksheet, whichever applies.
C	line 5 of an AMT Schedule D.
D	line 12 of an AMT Schedule D.
E	line 11 of an AMT Unrecaptured Section 1250 Gain Worksheet.
F	line 4 of an AMT 28% Rate Gain Worksheet.

**Form 1040-NR.** If you are filing Form 1040-NR, enter on Form 6251, line 13, the amount from line 4 of the Qualified Dividends and Capital Gain Tax Worksheet, or the amount from line 13 of the Schedule D Tax Worksheet, whichever applies (as refigured for the AMT, if necessary).

### Line 18

If you are filing Form 1040-NR and Form 6251, line 17, is \$199,900 or less (\$99,950 or less if married filing separately), multiply line 17 by 26% (0.26). Otherwise, multiply line 17 by 28% (0.28) and subtract \$3,998 (\$1,999 if married filing separately) from the result.

### Line 19

If you are filing Form 1040-NR, enter \$40,400 (\$80,800 if your filing status is qualifying widow(er)).

### Line 20

If you are filing Form 1040-NR, enter on Form 6251, line 20, the amount from line 5 of the Qualified Dividends and Capital Gain Tax Worksheet, or the amount from line 14 of the Schedule D Tax Worksheet, whichever applies (as figured for the regular tax). If you didn't complete either worksheet for the regular tax, enter the amount from Form 1040-NR, line 15; if zero or less, enter -0-.

**Form 2555.** If you are filing Form 2555, the amount you enter on line 20 will take into account your regular tax capital gain excess, if any. Don't refigure it using the amount of your AMT capital gain excess.

If you are filing Form 2555 and you didn't complete either the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax Worksheet for the regular tax, enter the amount from line 3 of the Foreign Earned Income Tax Worksheet in the Form 1040 instructions (as figured for the regular tax).

### Line 25

If you are filing Form 1040-NR, enter on Form 6251, line 25, the amount from the list below that corresponds to your filing status.

- \$445,850 if single.
- \$250,800 if married filing separately.
- \$501,600 if qualifying widow(er).

### Line 27

If you are filing Form 1040-NR, enter on Form 6251, line 27, the amount from line 5 of the Qualified Dividends and Capital Gain Tax Worksheet, or the amount from line 21 of the Schedule D Tax Worksheet, whichever applies (as figured for the regular tax). If you didn't complete either worksheet for the regular tax, enter the amount from Form 1040-NR, line 15; if zero or less, enter -0-.

**Form 2555.** If you are filing Form 2555, the amount you enter on line 27 will take into account your regular tax capital gain excess, if any. Don't refigure it using the amount of your AMT capital gain excess.

If you are filing Form 2555 and you didn't complete either the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax

Worksheet for the regular tax, enter the amount from Form 6251, line 20.

**Line 39**

If you are filing Form 1040-NR and Form 6251, line 12, is \$199,900 or less

(\$99,950 or less if married filing separately), multiply line 12 by 26% (0.26). Otherwise, multiply line 12 by 28% (0.28) and subtract \$3,998 (\$1,999

if married filing separately) from the result.