Name ______________________________

Cracking the Code: Understanding the Alternative Minimum Tax (AMT)

Short Answer

1. Why was the AMT created?

2. What happens if your regular income tax is higher than your AMT?

3. Name one type of deduction that can increase the likelihood of being subject to the AMT.

4. How does the AMT handle capital gains?

5. Can individuals and businesses choose whether or not to follow the AMT rules?