

Name _____

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

Open-Ended Response Questions

1. Explain in your own words why the AMT exists and what it aims to achieve.
2. Imagine you have a friend who claims a lot of deductions on their taxes. How might the AMT affect their tax situation? Provide an example.
3. If someone finds themselves subject to the AMT, what steps can they take to minimize their tax liability?
4. Do you think the AMT is a fair way to ensure that high-income individuals and certain corporations pay their taxes? Why or why not?

