

Name(s): \_\_\_\_\_ Social Security number: \_\_\_\_\_

**PART I - Iowa Adjustments and Preferences. See instructions.**

If you itemized deductions on Schedule A (IA 1040), start on line 1. If you did not itemize on your IA 1040, start on line 2.

- 1. Taxes from IA 1040 Schedule A, line 8 ..... 1. \_\_\_\_\_
- 2. Refunds of taxes (exclude Iowa income tax) ..... 2. (\_\_\_\_\_)
- 3. Investment interest expense (difference between regular tax and AMT) ..... 3. \_\_\_\_\_
- 4. Qualified small business stock ..... 4. \_\_\_\_\_
- 5. Exercise of incentive stock options (excess of AMT income over regular tax income) . 5. \_\_\_\_\_
- 6. Estates and trusts [amount from federal Schedule K-1 (Form 1041)] ..... 6. \_\_\_\_\_
- 7. Disposition of property (difference between AMT and regular tax gain or loss) ..... 7. \_\_\_\_\_
- 8. Depreciation on assets placed in service after 1986 (difference between regular tax and AMT) ..... 8. \_\_\_\_\_
- 9. Passive activities (difference between AMT and regular tax income or loss)..... 9. \_\_\_\_\_
- 10. Loss limitations (difference between AMT and regular tax income or loss) ..... 10. \_\_\_\_\_
- 11. Circulation costs (difference between regular tax and AMT)..... 11. \_\_\_\_\_
- 12. Long-term contracts (difference between AMT and regular tax income)..... 12. \_\_\_\_\_
- 13. Mining costs (difference between regular tax and AMT) ..... 13. \_\_\_\_\_
- 14. Research and experimental costs (difference between regular tax and AMT)..... 14. \_\_\_\_\_
- 15. Income from certain installment sales before January 1, 1987 ..... 15. (\_\_\_\_\_)
- 16. Other adjustments, including income-based related adjustments ..... 16. \_\_\_\_\_
- 17. Total adjustments and preferences. Add lines 1 through 16 ..... 17. \_\_\_\_\_

**PART II - Iowa Alternative Minimum Taxable Income**

- 18. Taxable income from IA 1040, line 38..... 18. \_\_\_\_\_
- 19. Net operating loss deduction. Do not enter as a negative amount..... 19. \_\_\_\_\_
- 20. Add lines 17, 18, and 19 ..... 20. \_\_\_\_\_
- 21. Iowa Alternative Minimum Tax net operating loss deduction. See instructions..... 21. \_\_\_\_\_
- 22. Iowa Alternative Minimum Taxable Income. Subtract line 21 from line 20 ..... 22. \_\_\_\_\_



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**PART III - Iowa Exemption Amount and Iowa Alternative Minimum Tax Based on Iowa Filing Status**

23. Enter the applicable amount below based on your Iowa filing status:

- If filing status 1, 5, or 6, enter \$26,000. ■
- If filing status 2, enter \$35,000.
- If filing status 3 or 4, enter \$17,500 ..... 23. \_\_\_\_\_

24. Enter the applicable amount below based on your Iowa filing status:

- If filing status 1, 5, or 6, enter \$112,500.
- If filing status 2, enter \$150,000.
- If filing status 3 or 4, enter \$75,000 ..... 24. \_\_\_\_\_

25. Subtract line 24 from line 22. If zero or less, enter zero ..... 25. \_\_\_\_\_

26. Multiply line 25 by 25% (.25) ..... 26. \_\_\_\_\_

27. Subtract line 26 from line 23. If zero or less, enter zero ..... 27. \_\_\_\_\_

28. Subtract line 27 from line 22. If zero or less, enter zero ..... 28. \_\_\_\_\_

29. Tentative Iowa Alternative Minimum Tax. Multiply line 28 by 6.4% (.064) ..... 29. \_\_\_\_\_

30. Regular tax less exemption credits. IA 1040 line 39, less IA 1040 line 43 ..... 30. \_\_\_\_\_

31. Iowa Alternative Minimum Tax. Subtract line 30 from 29; enter here and on IA 1040, line 41. If zero or less, enter zero. See instructions for Iowa Alternative Minimum Tax Limited to Net Worth ..... 31. \_\_\_\_\_

**PART IV - Nonresidents and Part-Year Residents Only – Complete Lines 32-35.**

32. Enter Iowa net income plus Iowa adjustments and preferences. If zero or less, enter zero. See instructions. .... 32. \_\_\_\_\_

33. Total net income plus total adjustments and preferences. See instructions..... 33. \_\_\_\_\_

34. Divide line 32 by line 33 and enter the result to three decimal places. If greater than one, enter 1.000..... 34. \_\_\_\_\_

35. Iowa Alternative Minimum Tax. Multiply line 31 by 34. Enter here and on IA 1040, line 41. See instructions..... 35. \_\_\_\_\_



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## Instructions for 2020 IA 6251 Iowa Alternative Minimum Tax – Individuals

### Who Must File IA 6251?

Estates and trusts must use form IA 1041 Schedule I to calculate alternative minimum tax.

An individual should not complete form IA 6251 if:

- Your filing status is single and your net income (IA 1040, line 26) is \$9,000 or less (\$24,000 or less if 65 or older on 12/31/20); or
- Your filing status is other than single and your net income (IA 1040, line 26) is \$13,500 or less (\$32,000 or less if you or your spouse was 65 or older on 12/31/20).

All other individuals who had one or more of the adjustments or preferences in Part I must complete form IA 6251 to see if they owe Iowa Alternative Minimum Tax (AMT). Taxpayers may have an Iowa AMT liability even if they do not owe federal AMT. Nonresidents who have a liability for Iowa AMT are required to file an Iowa return even if they have no regular Iowa income tax liability.

Married filing separate filers: Each spouse needs to complete a separate IA 6251.

**Note:** The Iowa AMT Credit is available which may reduce the regular tax of an individual for Iowa AMT paid in a prior year. See instructions for IA 8801.

### Part I - Iowa Adjustments and Preferences

Part I of the IA 6251 corresponds to Part I of federal form 6251 except as noted. Itemized deductions will be apportioned based on net income and asset adjustments will be based on ownership.

**Line 1:** Report the amount of taxes reported on IA 1040 Schedule A, line 8.

Married Separate Filers:

Filing status 3 and 4 filers: The IA alternative minimum tax calculation must be figured based on each individual's portion of adjustments or preference from part I. Divide the amount of taxes reported on IA 1040 Schedule A, line 8 between spouses in the ratio of their respective net incomes as calculated on the IA 1040 Schedule A, lines 22-26.

**Line 2:** Refunds of Taxes:

Report any state refunds reported on the IA 1040, line 14, code K. Also include any refunds received in 2020 and included on line 14 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.

**Lines 3 through 16:** See the corresponding lines on **federal Form 6251** for additional guidance. If the regular income amounts on the IA 1040 differ from the corresponding amounts on the federal form 1040 use the amounts from the IA 1040 to calculate Iowa AMT amounts by following the federal instructions for making adjustments, unless otherwise specified in these instructions.

**Line 8:** If the amount of your Iowa depreciation deduction for this year was different from the amount of your federal depreciation deduction, you may need to recalculate the amounts shown on the **federal form 6251** to adjust for the Iowa amount. Recalculate this amount by using the Iowa depreciation deduction amounts shown on this year's IA 4562A, and follow the federal AMT adjustment instructions for the federal form 6251, line 2(L).

**Line 16:** If the amount of your Iowa depreciation deduction or any other Iowa nonconformity adjustment for this year was different from the amount shown on your federal return, you may need to recalculate the amounts shown on the **federal form 6251** to adjust for the Iowa amount. Recalculate this amount by using the Iowa depreciation deduction amounts shown on this year's IA 4562A, or other nonconformity adjustments shown on IA 1040 line 14, and follow the federal AMT adjustment instructions for **federal form 6251, line 3**.

**Note:** The federal tax preferences for percentage depletion of an oil, gas, or geothermal well and intangible drilling costs from **federal form 6251** are not tax preferences but are additions to income on IA 1040, line 14.

### Part II – Iowa Alternative Minimum Taxable Income

**Line 21:** A net operating loss (NOL) can be carried back or carried forward to reduce a taxpayer's alternative minimum taxable income. However, before the NOL can be deducted, it must be reduced by any adjustments and tax preferences used in computing the NOL. A NOL that is carried to the current tax year on line 21 cannot exceed 90% of the amount on line 20. Any portion of the NOL that cannot be used can be carried over to the next tax year. For guidance

regarding the application of a NOL carryback or carryforward, see the IA 123 NOL schedule instructions.

**Part IV - Nonresidents and Part-Year Residents**

Nonresidents and part-year residents of Iowa are required to pay Iowa AMT only on the percentage of adjustments and tax preferences that are Iowa source. Part IV must be completed to calculate the Iowa AMT liability for nonresidents and part-year residents only if one has Iowa source adjustments or preferences.

**Line 32:** Add Iowa net income from IA 126, line 26, plus the total of only those adjustments and tax preferences from IA 6251, line 17 that are from Iowa sources.

**Line 33:** Add all-source net income from IA 126, line 27, plus the total of all adjustments and tax preferences from IA 6251, line 17.

**Line 35:** Multiply line 31 by line 34. The result is the Iowa AMT and is to be entered on IA 1040, line 41. See the instructions below relating to Iowa AMT limited to net worth.

**Iowa Alternative Minimum Tax Limited to Net Worth**

Taxpayers who meet all qualifications for a distressed sale, but have a debt to asset ratio of 75% or less, are not subject to the AMT in an amount greater than the taxpayer's net worth. In situations where a taxpayer has multiple transactions (forfeitures, transfers, sales, or exchanges), AMT is limited to net worth prior to the last transaction in the tax year. Please complete the IA 6251B form to determine net worth.