

Sec.	
56.	Adjustments in computing alternative minimum taxable income.
57.	Items of tax preference.
58.	Denial of certain losses.
59.	Other definitions and special rules.

§ 55. Alternative minimum tax imposed

(a) General rule

In the case of a taxpayer other than a corporation, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to the excess (if any) of—

- (1) the tentative minimum tax for the taxable year, over
- (2) the regular tax for the taxable year.

(b) Tentative minimum tax

For purposes of this part—

(1) Amount of tentative tax

(A) In general

The tentative minimum tax for the taxable year is the sum of—

- (i) 26 percent of so much of the taxable excess as does not exceed \$175,000, plus
- (ii) 28 percent of so much of the taxable excess as exceeds \$175,000.

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

(B) Taxable excess

For purposes of this subsection, the term “taxable excess” means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

(C) Married individual filing separate return

In the case of a married individual filing a separate return, subparagraph (A) shall be applied by substituting 50 percent of the dollar amount otherwise applicable under clause (i) and clause (ii) thereof. For purposes of the preceding sentence, marital status shall be determined under section 7703.

(2) Alternative minimum taxable income

The term “alternative minimum taxable income” means the taxable income of the taxpayer for the taxable year—

- (A) determined with the adjustments provided in section 56 and section 58, and
- (B) increased by the amount of the items of tax preference described in section 57.

If a taxpayer is subject to the regular tax, such taxpayer shall be subject to the tax imposed by this section (and, if the regular tax is determined by reference to an amount other than taxable income, such amount shall be treated as the taxable income of such taxpayer for purposes of the preceding sentence).

(3) Maximum rate of tax on net capital gain of noncorporate taxpayers

The amount determined under the first sentence of paragraph (1)(A) shall not exceed the sum of—

- (A) the amount determined under such first sentence computed at the rates and in

the same manner as if this paragraph had not been enacted on the taxable excess reduced by the lesser of—

- (i) the net capital gain; or
- (ii) the sum of—
 - (I) the adjusted net capital gain, plus
 - (II) the unrecaptured section 1250 gain, plus

(B) 0 percent of so much of the adjusted net capital gain (or, if less, taxable excess) as does not exceed an amount equal to the excess described in section 1(h)(1)(B), plus

(C) 15 percent of the lesser of—

- (i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subparagraph (B), or
- (ii) the excess described in section 1(h)(1)(C)(ii), plus

(D) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), plus

(E) 25 percent of the amount of taxable excess in excess of the sum of the amounts on which tax is determined under the preceding subparagraphs of this paragraph.

Terms used in this paragraph which are also used in section 1(h) shall have the respective meanings given such terms by section 1(h) but computed with the adjustments under this part.

(c) Regular tax

(1) In general

For purposes of this section, the term “regular tax” means the regular tax liability for the taxable year (as defined in section 26(b)) reduced by the foreign tax credit allowable under section 27(a).¹ Such term shall not include any increase in tax under section 45(e)(11)(C), 49(b) or 50(a) or subsection (j) or (k) of section 42.

(2) Coordination with income averaging for farmers and fishermen

Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax liability.

(3) Cross references

For provisions providing that certain credits are not allowable against the tax imposed by this section, see sections 30C(d)(2) and 38(c).

(d) Exemption amount

For purposes of this section—

(1) Exemption amount for taxpayers other than corporations

In the case of a taxpayer other than a corporation, the term “exemption amount” means—

- (A) \$78,750 in the case of—
 - (i) a joint return, or
 - (ii) a surviving spouse,

(B) \$50,600 in the case of an individual who—

¹ See References in Text note below.

- (i) is not a married individual, and
- (ii) is not a surviving spouse,

(C) 50 percent of the dollar amount applicable under subparagraph (A) in the case of a married individual who files a separate return, and

(D) \$22,500 in the case of an estate or trust.

For purposes of this paragraph, the term “surviving spouse” has the meaning given to such term by section 2(a), and marital status shall be determined under section 7703.

(2) Phase-out of exemption amount

The exemption amount of any taxpayer shall be reduced (but not below zero) by an amount equal to 25 percent of the amount by which the alternative minimum taxable income of the taxpayer exceeds—

(A) \$150,000 in the case of a taxpayer described in paragraph (1)(A),

(B) \$112,500 in the case of a taxpayer described in paragraph (1)(B), and

(C) 50 percent of the dollar amount applicable under subparagraph (A) in the case of a taxpayer described in subparagraph (C) or (D) of paragraph (1).

In the case of a taxpayer described in paragraph (1)(C), alternative minimum taxable income shall be increased by the lesser of (i) 25 percent of the excess of alternative minimum taxable income (determined without regard to this sentence) over the minimum amount of such income (as so determined) for which the exemption amount under paragraph (1)(C) is zero, or (ii) such exemption amount (determined without regard to this paragraph).

(3) Inflation adjustment

(A) In general

In the case of any taxable year beginning in a calendar year after 2012, the amounts described in subparagraph (B) shall each be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “calendar year 2011” for “calendar year 2016” in subparagraph (A)(ii) thereof.

(B) Amounts described

The amounts described in this subparagraph are—

(i) each of the dollar amounts contained in subsection (b)(1)(A),

(ii) each of the dollar amounts contained in subparagraphs (A), (B), and (D) of paragraph (1), and

(iii) each of the dollar amounts in subparagraphs (A) and (B) of paragraph (2).

(C) Rounding

Any increased amount determined under subparagraph (A) shall be rounded to the nearest multiple of \$100.

(4) Special rule for taxable years beginning after 2017 and before 2026

(A) In general

In the case of any taxable year beginning after December 31, 2017, and before January 1, 2026—

(i) paragraph (1) shall be applied—

(I) by substituting “\$109,400” for “\$78,750” in subparagraph (A), and

(II) by substituting “\$70,300” for “\$50,600” in subparagraph (B),

(ii) paragraph (2) shall be applied—

(I) by substituting “\$1,000,000” for “\$150,000” in subparagraph (A),

(II) by substituting “50 percent of the dollar amount applicable under subparagraph (A)” for “\$112,500” in subparagraph (B), and

(III) in the case of a taxpayer described in paragraph (1)(D), without regard to the substitution under subclause (I), and

(iii) subsection (j) of section 59 shall not apply.

(B) Inflation adjustment

(i) In general

In the case of any taxable year beginning in a calendar year after 2018, the amounts described in clause (ii) shall each be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “calendar year 2017” for “calendar year 2016” in subparagraph (A)(ii) thereof.

(ii) Amounts described

The amounts described in this clause are the \$109,400 amount in subparagraph (A)(i)(I), the \$70,300 amount in subparagraph (A)(i)(II), and the \$1,000,000 amount in subparagraph (A)(ii)(I).

(iii) Rounding

Any increased amount determined under clause (i) shall be rounded to the nearest multiple of \$100.

(iv) Coordination with current adjustments

In the case of any taxable year to which subparagraph (A) applies, no adjustment shall be made under paragraph (3) to any of the numbers which are substituted under subparagraph (A) and adjusted under this subparagraph.

(Added and amended Pub. L. 99-514, title II, §252(c), title VII, §701(a), Oct. 22, 1986, 100 Stat. 2205, 2321; Pub. L. 100-647, title I, §§1002(l)(27), 1007(a), Nov. 10, 1988, 102 Stat. 3381, 3428; Pub. L. 101-508, title XI, §§11102(a), 11813(b)(5), Nov. 5, 1990, 104 Stat. 1388-406, 1388-551; Pub. L. 102-318, title V, §521(b)(1), July 3, 1992, 106 Stat. 310; Pub. L. 102-486, title XIX, §1913(b)(2)(D), Oct. 24, 1992, 106 Stat. 3020; Pub. L. 103-66, title XIII, §13203(a)-(c)(1), Aug. 10, 1993, 107 Stat. 461, 462; Pub. L. 104-188, title I, §§1205(d)(6), 1401(b)(3), 1601(b)(2)(A), Aug. 20, 1996, 110 Stat. 1776, 1788, 1832; Pub. L. 105-34, title III, §311(b)(1), (2)(A), title IV, §401(a), title XVI, §1601(f)(1)(C), Aug. 5, 1997, 111 Stat. 834, 835, 843, 1090; Pub. L. 105-206, title VI, §§6005(d)(2), 6006(a), July 22, 1998, 112 Stat. 804, 806; Pub. L. 107-16, title VII, §701(a), (b), June 7, 2001, 115 Stat. 148; Pub. L. 108-27, title I, §106(a), title III, §301(a)(1), (2)(B), (b)(2), May 28, 2003, 117 Stat. 755, 758; Pub. L. 108-311,

title I, §103(a), title IV, §406(d), Oct. 4, 2004, 118 Stat. 1168, 1189; Pub. L. 108-357, title III, §314(a), Oct. 22, 2004, 118 Stat. 1468; Pub. L. 109-58, title XIII, §§1302(b), 1322(a)(3)(H), 1341(b)(3), 1342(b)(3), Aug. 8, 2005, 119 Stat. 991, 1012, 1049, 1051; Pub. L. 109-135, title IV, §§403(h), 412(p), Dec. 21, 2005, 119 Stat. 2624, 2638; Pub. L. 109-222, title III, §301(a), May 17, 2006, 120 Stat. 353; Pub. L. 110-166, §2(a), Dec. 26, 2007, 121 Stat. 2461; Pub. L. 110-234, title XV, §1531(b), May 22, 2008, 122 Stat. 1503; Pub. L. 110-246, §4(a), title XV, §1531(b), June 18, 2008, 122 Stat. 1664, 2265; Pub. L. 110-343, div. C, title I, §102(a), Oct. 3, 2008, 122 Stat. 3863; Pub. L. 111-5, div. B, title I, §§1012(a), 1142(b)(5), 1144(b)(3), Feb. 17, 2009, 123 Stat. 319, 331, 332; Pub. L. 111-240, title II, §2013(b), Sept. 27, 2010, 124 Stat. 2555; Pub. L. 111-312, title II, §201(a), Dec. 17, 2010, 124 Stat. 3299; Pub. L. 112-240, title I, §§102(b)(2), (c)(2), 104(a), (b), (c)(2)(J), Jan. 2, 2013, 126 Stat. 2319, 2320, 2322; Pub. L. 113-295, div. A, title II, §202(c), Dec. 19, 2014, 128 Stat. 4024; Pub. L. 114-113, div. Q, title III, §334(b), Dec. 18, 2015, 129 Stat. 3108; Pub. L. 115-97, title I, §§11002(d)(1)(I), 12001(a), (b)(3)(A), (B), (4)-(6), 12003(a), Dec. 22, 2017, 131 Stat. 2060, 2092, 2093, 2095; Pub. L. 116-94, div. O, title V, §501(b), Dec. 20, 2019, 133 Stat. 3180.)

INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS

For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.

REFERENCES IN TEXT

Section 27, referred to in subsec. (c)(1), was amended generally by Pub. L. 115-141, div. U, title IV, §401(d)(1)(A), Mar. 23, 2018, 132 Stat. 1206, and as so amended, no longer contains a subsec. (a) designation. Text of section 27 as amended by Pub. L. 115-141 is identical to that of former section 27(a).

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

PRIOR PROVISIONS

A prior section 55, Pub. L. 95-600, title IV, §421(a), Nov. 6, 1978, 92 Stat. 2871; amended Pub. L. 96-222, title I, §104(a)(4)(A)-(D), (G), (H)(i), (ii), (viii), Apr. 1, 1980, 94 Stat. 215-218; Pub. L. 96-223, title II, §232(b)(2)(A), (c)(2), Apr. 2, 1980, 94 Stat. 276, 277; Pub. L. 96-603, §4(a), (b), Dec. 28, 1980, 94 Stat. 3513, 3514; Pub. L. 97-34, title I, §101(d)(1), title II, §221(b)(1)(A), title III, §331(d)(1)(A), Aug. 13, 1981, 95 Stat. 183, 246, 294; Pub. L. 97-248, title II, §201(a), Sept. 3, 1982, 96 Stat. 411; Pub. L. 97-354, §5(a)(13), Oct. 19, 1982, 96 Stat. 1693; Pub. L. 97-448, title I, §103(g)(2)(E), title III, §§305(c), 306(a)(1)(B), (C), Jan. 12, 1983, 96 Stat. 2379, 2399, 2400; Pub. L. 98-369, div. A, title IV, §§474(q), 491(d)(1), title VI, §612(e)(3), title VII, §711(a)(1), (4), (5), July 18, 1984, 98 Stat. 838, 849, 912, 942, 943; Pub. L. 99-514, title XVIII, §1847(a), Oct. 22, 1986, 100 Stat. 2856, related to alternative minimum tax for taxpayers other than corporations, prior to the general revision of this part by Pub. L. 99-514, §701(a).

AMENDMENTS

2019—Subsec. (d)(4)(A)(iii). Pub. L. 116-94 added cl. (iii).

2017—Subsec. (a). Pub. L. 115-97, §12001(a), substituted “In the case of a taxpayer other than a corporation, there” for “There” in introductory provisions.

Subsec. (b)(1). Pub. L. 115-97, §12001(b)(3)(A), amended par. (1) generally. Prior to amendment, par. (1) related to amount of tentative tax.

Subsec. (b)(3). Pub. L. 115-97, §12001(b)(3)(B), substituted “paragraph (1)(A)” for “paragraph (1)(A)(i)” in introductory provisions.

Subsec. (c)(1). Pub. L. 115-97, §12001(b)(4), struck out “the section 936 credit allowable under section 27(b), and the Puerto Rico economic activity credit under section 30A” after “section 27(a)”.

Subsec. (d)(2). Pub. L. 115-97, §12001(b)(5)(A), redesignated par. (3) as (2) and struck out former par. (2). Prior to amendment, text of par. (2) read as follows: “In the case of a corporation, the term ‘exemption amount’ means \$40,000.”

Subsec. (d)(2)(D). Pub. L. 115-97, §12001(b)(5)(B), struck out subpar. (D) which read as follows: “\$150,000 in the case of a taxpayer described in paragraph (2).”

Subsec. (d)(3). Pub. L. 115-97, §12001(b)(5)(A), redesignated par. (4) as (3). Former par. (3) redesignated (2).

Subsec. (d)(3)(B)(i). Pub. L. 115-97, §12001(b)(5)(C)(i), substituted “(b)(1)(A)” for “(b)(1)(A)(i)”.

Subsec. (d)(3)(B)(iii). Pub. L. 115-97, §12001(b)(5)(C)(ii), substituted “paragraph (2)” for “paragraph (3)”.

Subsec. (d)(4). Pub. L. 115-97, §12003(a), added par. (4). Former par. (4) redesignated (3).

Subsec. (d)(4)(A)(ii). Pub. L. 115-97, §11002(d)(1)(I), substituted “for ‘calendar year 2016’ in subparagraph (A)(ii)” for “for ‘calendar year 1992’ in subparagraph (B)”.

Subsec. (e). Pub. L. 115-97, §12001(b)(6), struck out subsec. (e) which related to exemption for small corporations.

2015—Subsec. (b)(4). Pub. L. 114-113 struck out par. (4) which related to the maximum rate of tax on qualified timber gain of corporations.

2014—Subsec. (d)(4)(B)(ii). Pub. L. 113-295, §202(c)(1), inserted “subparagraphs (A), (B), and (D) of” before “paragraph (1)”.

Subsec. (d)(4)(C). Pub. L. 113-295, §202(c)(2), substituted “increased amount” for “increase”.

2013—Subsec. (b)(1)(A)(iii). Pub. L. 112-240, §104(b)(2)(A), substituted “by substituting 50 percent of the dollar amount otherwise applicable under subclause (I) and subclause (II) thereof.” for “by substituting ‘\$87,500’ for ‘\$175,000’ each place it appears.”

Subsec. (b)(3)(B). Pub. L. 112-240, §102(c)(2), substituted “0 percent” for “5 percent (0 percent in the case of taxable years beginning after 2007)”.

Subsec. (b)(3)(C) to (E). Pub. L. 112-240, §102(b)(2), added subpars. (C) and (D), redesignated former subpar. (D) as (E), and struck out former subpar. (C) which read as follows: “15 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the amount on which tax is determined under subparagraph (B), plus”.

Subsec. (c)(3). Pub. L. 112-240, §104(c)(2)(J), substituted “30C(d)(2)” for “26(a), 30C(d)(2)”.

Subsec. (d)(1)(A). Pub. L. 112-240, §104(a)(1)(A), in introductory provisions, substituted “\$78,750” for “\$45,000 (\$72,450 in the case of taxable years beginning in 2010 and \$74,450 in the case of taxable years beginning in 2011)”.

Subsec. (d)(1)(B). Pub. L. 112-240, §104(a)(1)(B), in introductory provisions, substituted “\$50,600” for “\$33,750 (\$47,450 in the case of taxable years beginning in 2010 and \$48,450 in the case of taxable years beginning in 2011)”.

Subsec. (d)(1)(C). Pub. L. 112-240, §104(a)(1)(C), substituted “subparagraph (A)” for “paragraph (1)(A)”.

Subsec. (d)(3)(A). Pub. L. 112-240, §104(b)(2)(B)(i), struck out “or (2)” after “paragraph (1)(A)”.

Subsec. (d)(3)(C), (D). Pub. L. 112-240, §104(b)(2)(B)(ii), (iii), added subpars. (C) and (D) and struck out former subpar. (C) which read as follows: “\$75,000 in the case of a taxpayer described in subparagraph (C) or (D) of paragraph (1).”

Subsec. (d)(4). Pub. L. 112-240, §104(b)(1), added par. (4).

2010—Subsec. (d)(1)(A). Pub. L. 111-312, §201(a)(1), substituted “\$72,450 in the case of taxable years beginning in 2010 and \$74,450 in the case of taxable years beginning in 2011” for “\$70,950 in the case of taxable years beginning in 2009”.

Subsec. (d)(1)(B). Pub. L. 111-312, §201(a)(2), substituted “\$47,450 in the case of taxable years beginning in 2010 and \$48,450 in the case of taxable years beginning in 2011” for “\$46,700 in the case of taxable years beginning in 2009”.

Subsec. (e)(5). Pub. L. 111-240 substituted “38(c)(6)(B)” for “38(c)(3)(B)”.

2009—Subsec. (c)(3). Pub. L. 111-5, §1144(b)(3), struck out “30B(g)(2),” after “sections 26(a).”.

Pub. L. 111-5, §1142(b)(5), struck out “30(b)(3),” after “sections 26(a).”.

Subsec. (d)(1)(A). Pub. L. 111-5, §1012(a)(1), substituted “(\$70,950 in the case of taxable years beginning in 2009)” for “(\$69,950 in the case of taxable years beginning in 2008)”.

Subsec. (d)(1)(B). Pub. L. 111-5, §1012(a)(2), substituted “(\$46,700 in the case of taxable years beginning in 2009)” for “(\$46,200 in the case of taxable years beginning in 2008)”.

2008—Subsec. (b)(4). Pub. L. 110-246, §15311(b), added par. (4).

Subsec. (d)(1)(A). Pub. L. 110-343, §102(a)(1), substituted “(\$69,950 in the case of taxable years beginning in 2008)” for “(\$66,250 in the case of taxable years beginning in 2007)”.

Subsec. (d)(1)(B). Pub. L. 110-343, §102(a)(2), substituted “(\$46,200 in the case of taxable years beginning in 2008)” for “(\$44,350 in the case of taxable years beginning in 2007)”.

2007—Subsec. (d)(1)(A). Pub. L. 110-166, §2(a)(1), substituted “(\$66,250 in the case of taxable years beginning in 2007)” for “(\$62,550 in the case of taxable years beginning in 2006)”.

Subsec. (d)(1)(B). Pub. L. 110-166, §2(a)(2), substituted “(\$44,350 in the case of taxable years beginning in 2007)” for “(\$42,500 in the case of taxable years beginning in 2006)”.

2006—Subsec. (d)(1)(A). Pub. L. 109-222, §301(a)(1), substituted “\$62,550 in the case of taxable years beginning in 2006” for “\$58,000 in the case of taxable years beginning in 2003, 2004, and 2005”.

Subsec. (d)(1)(B). Pub. L. 109-222, §301(a)(2), substituted “\$42,500 in the case of taxable years beginning in 2006” for “\$40,250 in the case of taxable years beginning in 2003, 2004, and 2005”.

2005—Subsec. (c)(1). Pub. L. 109-58, §1302(b), which directed amendment of par. (1) by inserting “45(e)(11)(C).” after “section” in last sentence, was executed by making the insertion after “section” the first place it appeared in last sentence, to reflect the probable intent of Congress.

Subsec. (c)(2). Pub. L. 109-135, §403(h), substituted “regular tax liability” for “regular tax”.

Pub. L. 109-58, §1342(b)(3), which directed amendment of par. (2) by inserting “30C(d)(2),” after “30B(g)(2),” was repealed by Pub. L. 109-135, §412(p)(3).

Pub. L. 109-58, §1341(b)(3), which directed amendment of par. (2) by inserting “30B(g)(2),” after “30(b)(2),” was repealed by Pub. L. 109-135, §412(p)(2).

Subsec. (c)(3). Pub. L. 109-135, §412(p)(1), inserted “30B(g)(2), 30C(d)(2),” after “30(b)(3).”.

Pub. L. 109-58, §1322(a)(3)(H), struck out “29(b)(6),” after “26(a).”.

2004—Subsec. (b)(3)(B). Pub. L. 108-311, §406(d), substituted “an amount equal to the excess described in” for “the amount on which a tax is determined under”.

Subsec. (c)(2), (3). Pub. L. 108-357 added par. (2) and redesignated former par. (2) as (3).

Subsec. (d)(1)(A), (B). Pub. L. 108-311, §103(a), substituted “2003, 2004, and 2005” for “2003 and 2004”.

2003—Subsec. (b)(3). Pub. L. 108-27, §301(b)(2), struck out first sentence of concluding provisions which read as follows: “In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).”

Subsec. (b)(3)(B). Pub. L. 108-27, §301(a)(1), substituted “5 percent (0 percent in the case of taxable years beginning after 2007)” for “10 percent”.

Subsec. (b)(3)(C). Pub. L. 108-27, §301(a)(2)(B), substituted “15 percent” for “20 percent”.

Subsec. (d)(1)(A). Pub. L. 108-27, §106(a)(1), substituted “\$58,000 in the case of taxable years beginning in 2003 and 2004” for “\$49,000 in the case of taxable years beginning in 2001, 2002, 2003, and 2004”.

Subsec. (d)(1)(B). Pub. L. 108-27, §106(a)(2), substituted “\$40,250 in the case of taxable years beginning in 2003 and 2004” for “\$35,750 in the case of taxable years beginning in 2001, 2002, 2003, and 2004”.

2001—Subsec. (d)(1)(A). Pub. L. 107-16, §701(a)(1), substituted “\$45,000 (\$49,000 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)” for “\$45,000”.

Subsec. (d)(1)(B). Pub. L. 107-16, §701(b)(1), struck out “and” at end.

Pub. L. 107-16, §701(a)(2), substituted “\$33,750 (\$35,750 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)” for “\$33,750”.

Subsec. (d)(1)(C), (D). Pub. L. 107-16, §701(b)(1), added subpars. (C) and (D) and struck out former subpar. (C) which read as follows: “\$22,500 in the case of—

“(i) a married individual who files a separate return, or

“(ii) an estate or trust.”

Subsec. (d)(3). Pub. L. 107-16, §701(b)(3), in concluding provisions, substituted “paragraph (1)(C)” for “paragraph (1)(C)(i)” and “the minimum amount of such income (as so determined) for which the exemption amount under paragraph (1)(C) is zero, or (ii) such exemption amount (determined without regard to this paragraph)” for “\$165,000 or (ii) \$22,500”.

Subsec. (d)(3)(C). Pub. L. 107-16, §701(b)(2), substituted “subparagraph (C) or (D) of paragraph (1)” for “paragraph (1)(C)”.

1998—Subsec. (b)(3). Pub. L. 105-206, §6005(d)(2), reenacted par. heading without change and amended text of par. (3) generally. Prior to amendment, text read as follows: “The amount determined under the first sentence of paragraph (1)(A)(i) shall not exceed the sum of—

“(A) the amount determined under such first sentence computed at the rates and in the same manner as if this paragraph had not been enacted on the taxable excess reduced by the lesser of—

“(i) the net capital gain, or

“(ii) the sum of—

“(I) the adjusted net capital gain, plus

“(II) the unrecaptured section 1250 gain, plus

“(B) 25 percent of the lesser of—

“(i) the unrecaptured section 1250 gain, or

“(ii) the amount of taxable excess in excess of the sum of—

“(I) the adjusted net capital gain, plus

“(II) the amount on which a tax is determined under subparagraph (A), plus

“(C) 10 percent of so much of the taxpayer’s adjusted net capital gain (or, if less, taxable excess) as does not exceed the amount on which a tax is determined under section 1(h)(1)(D), plus

“(D) 20 percent of the taxpayer’s adjusted net capital gain (or, if less, taxable excess) in excess of the amount on which tax is determined under subparagraph (C).

In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (C) and (D). Terms used in this paragraph which are also used in section 1(h) shall have the respective meanings given such terms by section 1(h).”

Subsec. (e)(1). Pub. L. 105-206, §6006(a), reenacted par. heading without change and amended text of par. (1) generally. Prior to amendment, text read as follows: “The tentative minimum tax of a corporation shall be zero for any taxable year if—

“(A) such corporation met the \$5,000,000 gross receipts test of section 448(c) for its first taxable year beginning after December 31, 1996, and

“(B) such corporation would meet such test for the taxable year and all prior taxable years beginning after such first taxable year if such test were applied by substituting ‘\$7,500,000’ for ‘\$5,000,000’.”

1997—Subsec. (b)(1)(A)(ii). Pub. L. 105-34, §311(b)(2)(A), substituted “this subsection” for “clause (i)”.

Subsec. (b)(3). Pub. L. 105-34, §311(b)(1), added par. (3).
 Subsec. (c)(1). Pub. L. 105-34, §1601(f)(1)(C), substituted "Puerto Rico" for "Puerto Rican".

Subsec. (e). Pub. L. 105-34, §401(a), added subsec. (e).
 1996—Subsec. (c)(1). Pub. L. 104-188, §1601(b)(2)(A), substituted ", the section 936 credit allowable under section 27(b), and the Puerto Rican economic activity credit under section 30A" for "and the section 936 credit allowable under section 27(b)".

Pub. L. 104-188, §1401(b)(3), struck out "shall not include any tax imposed by section 402(d) and" before "shall not include any increase in tax under section 49(b)".

Subsec. (c)(2). Pub. L. 104-188, §1205(d)(6), struck out "28(d)(2)," after "26(a)."

1993—Subsec. (b)(1). Pub. L. 103-66, §13203(a), amended heading and text of par. (1) generally. Prior to amendment, text read as follows: "The tentative minimum tax for the taxable year is—

"(A) 20 percent (24 percent in the case of a taxpayer other than a corporation) of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, reduced by

"(B) the alternative minimum tax foreign tax credit for the taxable year."

Subsec. (d)(1). Pub. L. 103-66, §13203(b), substituted "\$45,000" for "\$40,000" in subpar. (A), "\$33,750" for "\$30,000" in subpar. (B), and "\$22,500" for "\$20,000" in subpar. (C).

Subsec. (d)(3). Pub. L. 103-66, §13203(c)(1), substituted "\$165,000 or (ii) \$22,500" for "\$155,000 or (ii) \$20,000" in last sentence.

1992—Subsec. (c)(1). Pub. L. 102-318 substituted "402(d)" for "402(e)".

Subsec. (c)(2). Pub. L. 102-486 substituted "29(b)(6), 30(b)(3)," for "29(b)(5)."

1990—Subsec. (b)(1)(A). Pub. L. 101-508, §11102(a), substituted "24 percent" for "21 percent".

Subsec. (c)(1). Pub. L. 101-508, §11813(b)(5), substituted "section 49(b) or 50(a)" for "section 47".

1988—Subsec. (b)(2). Pub. L. 100-647, §1007(a)(2), inserted at end "If a taxpayer is subject to the regular tax, such taxpayer shall be subject to the tax imposed by this section (and, if the regular tax is determined by reference to an amount other than taxable income, such amount shall be treated as the taxable income of such taxpayer for purposes of the preceding sentence)."

Subsec. (c)(1). Pub. L. 100-647, §1007(a)(1), inserted "and the section 936 credit allowable under section 27(b)" before period at end of first sentence.

Pub. L. 100-647, §1002(l)(27), substituted "subsection (j) or (k) of section 42" for "section 42(j)".

Subsec. (d)(3). Pub. L. 100-647, §1007(a)(3), inserted at end "In the case of a taxpayer described in paragraph (1)(C)(i), alternative minimum taxable income shall be increased by the lesser of (i) 25 percent of the excess of alternative minimum taxable income (determined without regard to this sentence) over \$155,000, or (ii) \$20,000."

1986—Subsec. (c)(1). Pub. L. 99-514, §252(c), inserted "or section 42(j)".

EFFECTIVE DATE OF 2019 AMENDMENT

Amendment by Pub. L. 116-94 applicable to taxable years beginning after Dec. 31, 2017, see section 501(c)(2) of Pub. L. 116-94, set out in a note under section 1 of this title.

EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by section 11002(d)(1)(I) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115-97, set out as a note under section 1 of this title.

Amendment by section 12001(a), (b)(3)(A), (B), (4)–(6) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 12001(c) of Pub. L. 115-97, set out as a note under section 11 of this title.

Pub. L. 115-97, title I, §12003(b), Dec. 22, 2017, 131 Stat. 2096, provided that: "The amendments made by this

section [amending this section] shall apply to taxable years beginning after December 31, 2017."

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title III, §334(c), Dec. 18, 2015, 129 Stat. 3109, provided that: "The amendments made by this section [amending this section and section 1201 of this title] shall apply to taxable years beginning after December 31, 2015."

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-295, div. A, title II, §202(f), Dec. 19, 2014, 128 Stat. 4024, provided that: "The amendments made by this section [amending this section and sections 168, 642, 911, and 6431 of this title] shall take effect as if included in the provision of the American Taxpayer Relief Act of 2012 [Pub. L. 112-240] to which they relate."

EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by section 102(b)(2), (c)(2) of Pub. L. 112-240 applicable to taxable years beginning after Dec. 31, 2012, see section 102(d)(1) of Pub. L. 112-240, set out as a note under section 1 of this title.

Amendment by section 104(a), (b), (c)(2)(J) of Pub. L. 112-240 applicable to taxable years beginning after Dec. 31, 2011, see section 104(d) of Pub. L. 112-240, set out as a note under section 23 of this title.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title II, §201(b), Dec. 17, 2010, 124 Stat. 3299, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2009."

EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111-5, div. B, title I, §1012(b), Feb. 17, 2009, 123 Stat. 319, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2008."

Amendment by section 1142(b)(5) of Pub. L. 111-5 applicable to vehicles acquired after Feb. 17, 2009, see section 1142(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

Amendment by section 1144(b)(3) of Pub. L. 111-5 applicable to taxable years beginning after Dec. 31, 2008, see section 1144(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. C, title I, §102(b), Oct. 3, 2008, 122 Stat. 3863, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2007."

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

Pub. L. 110-234, title XV, §15311(d), May 22, 2008, 122 Stat. 1503, and Pub. L. 110-246, §4(a), title XV, §15311(d), June 18, 2008, 122 Stat. 1664, 2265, provided that: "The amendments made by this section [amending this section and sections 857 and 1201 of this title] shall apply to taxable years ending after the date of enactment [June 18, 2008]."

[Pub. L. 110-234 and Pub. L. 110-246 enacted identical provisions. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246, set out as a note under section 8701 of Title 7, Agriculture.]

EFFECTIVE DATE OF 2007 AMENDMENT

Pub. L. 110-166, §2(b), Dec. 26, 2007, 121 Stat. 2461, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2006."

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-222, title III, §301(b), May 17, 2006, 120 Stat. 353, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2005.”

EFFECTIVE DATE OF 2005 AMENDMENTS

Amendment by section 403(h) of Pub. L. 109-135 effective as if included in the provision of the American Jobs Creation Act of 2004, Pub. L. 108-357, to which such amendment relates, see section 403(nn) of Pub. L. 109-135, set out as a note under section 26 of this title.

Amendment by section 1302(b) of Pub. L. 109-58 applicable to taxable years of cooperative organizations ending after Aug. 8, 2005, see section 1302(c) of Pub. L. 109-58, set out as a note under section 45 of this title.

Amendment by section 1322(a)(3)(H) of Pub. L. 109-58 applicable to credits determined under the Internal Revenue Code of 1986 for taxable years ending after Dec. 31, 2005, see section 1322(c)(1) of Pub. L. 109-58, set out as a note under section 45K of this title.

Amendment by section 1342(b)(3) of Pub. L. 109-58 applicable to property placed in service after Dec. 31, 2005, in taxable years ending after such date, see section 1342(c) of Pub. L. 109-58, set out as an Effective Date note under section 30C of this title.

Amendment by section 1341(b)(3) of Pub. L. 109-58 applicable to property placed in service after Dec. 31, 2005, in taxable years ending after such date, see section 1341(c) of Pub. L. 109-58, set out as an Effective Date note under section 30B of this title.

EFFECTIVE AND TERMINATION DATES OF 2004 AMENDMENTS

Pub. L. 108-357, title III, §314(c), Oct. 22, 2004, 118 Stat. 1469, provided that: “The amendments made by this section [amending this section and section 1301 of this title] shall apply to taxable years beginning after December 31, 2003.”

Pub. L. 108-311, title I, §103(b), Oct. 4, 2004, 118 Stat. 1168, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2004.”

Amendment by section 103(a) of Pub. L. 108-311 subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, §901, to the same extent and in the same manner as the provision of such Act to which such amendment relates, see section 105 of Pub. L. 108-311, set out as a note under section 1 of this title. Title IX of Pub. L. 107-16 was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315.

Pub. L. 108-311, title IV, §406(h), Oct. 4, 2004, 118 Stat. 1190, provided that: “The amendments made by this section [amending this section and sections 246, 529, 530, 901, 1259, and 1397E of this title] shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 [Pub. L. 105-34] to which they relate.”

EFFECTIVE AND TERMINATION DATES OF 2003 AMENDMENT

Pub. L. 108-27, title I, §106(b), May 28, 2003, 117 Stat. 755, provided that: “The amendments made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 2002.”

Amendment by section 106(a) of Pub. L. 108-27 subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, §901, to the same extent and in the same manner as the provision of such Act to which such amendment relates, see section 107 of Pub. L. 108-27, set out as a note under section 1 of this title. Title IX of Pub. L. 107-16 was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315.

Amendment by section 301(a)(1), (2)(B), (b)(2) of Pub. L. 108-27 applicable to taxable years ending on or after May 6, 2003, see section 301(d) of Pub. L. 108-27, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 2001 AMENDMENT

Pub. L. 107-16, title VII, §701(c), June 7, 2001, 115 Stat. 148, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2000.”

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 311(b)(1), (2)(A) of Pub. L. 105-34 applicable to taxable years ending after May 6, 1997, see section 311(d) of Pub. L. 105-34, set out as a note under section 1 of this title.

Pub. L. 105-34, title IV, §401(b), Aug. 5, 1997, 111 Stat. 844, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 1997.”

Amendment by section 1601(f)(1)(C) of Pub. L. 105-34 effective as if included in the provisions of the Small Business Job Protection Act of 1996, Pub. L. 104-188, to which it relates, see section 1601(j) of Pub. L. 105-34, set out as a note under section 23 of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by section 1205(d)(6) of Pub. L. 104-188 applicable to amounts paid or incurred in taxable years ending after June 30, 1996, see section 1205(e) of Pub. L. 104-188, set out as a note under section 45K of this title.

Amendment by section 1401(b)(3) of Pub. L. 104-188 applicable to taxable years beginning after Dec. 31, 1999, with retention of certain transition rules, see section 1401(c) of Pub. L. 104-188, set out as a note under section 402 of this title.

Pub. L. 104-188, title I, §1601(c), Aug. 20, 1996, 110 Stat. 1833, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [enacting section 30A of this title and amending this section and sections 56, 59, and 936 of this title] shall apply to taxable years beginning after December 31, 1995.

“(2) SPECIAL RULE FOR QUALIFIED POSSESSION SOURCE INVESTMENT INCOME.—The amendments made by this section shall not apply to qualified possession source investment income received or accrued before July 1, 1996, without regard to the taxable year in which received or accrued.

“(3) SPECIAL TRANSITION RULE FOR PAYMENT OF ESTIMATED TAX INSTALLMENT.—In determining the amount of any installment due under section 6655 of the Internal Revenue Code of 1986 after the date of the enactment of this Act [Aug. 20, 1996] and before October 1, 1996, only ½ of any increase in tax (for the taxable year for which such installment is made) by reason of the amendments made by subsections (a) and (b) [enacting section 30A of this title and amending this section and sections 56, 59, and 936 of this title] shall be taken into account. Any reduction in such installment by reason of the preceding sentence shall be recaptured by increasing the next required installment for such year by the amount of such reduction.”

EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-66, title XIII, §13203(d), Aug. 10, 1993, 107 Stat. 462, provided that: “The amendments made by this section [amending this section and section 897 of this title] shall apply to taxable years beginning after December 31, 1992.”

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-486 applicable to property placed in service after June 30, 1993, see section 1913(c) of Pub. L. 102-486, set out as a note under section 53 of this title.

Amendment by Pub. L. 102-318 applicable to distributions after Dec. 31, 1992, see section 521(e) of Pub. L. 102-318, set out as a note under section 402 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-508, title XI, §11102(b), Nov. 5, 1990, 104 Stat. 1388-406, provided that: "The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1990."

Amendment by section 11813(b)(5) of Pub. L. 101-508 applicable to property placed in service after Dec. 31, 1990, but not applicable to any transition property (as defined in section 49(e) of this title), any property with respect to which qualified progress expenditures were previously taken into account under section 46(d) of this title, and any property described in section 46(b)(2)(C) of this title, as such sections were in effect on Nov. 4, 1990, see section 11813(c) of Pub. L. 101-508, set out as a note under section 45K of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by section 1002(l)(27) of Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

Pub. L. 100-647, title I, §1007(a)(3), Nov. 10, 1988, 102 Stat. 3428, provided that the amendment made by that section is effective with respect to taxable years ending after Nov. 10, 1988.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to buildings placed in service after Dec. 31, 1986, in taxable years ending after such date, see section 252(e) of Pub. L. 99-514, set out as an Effective Date note under section 42 of this title.

EFFECTIVE DATE

Pub. L. 99-514, title VII, §701(f), Oct. 22, 1986, 100 Stat. 2343, as amended by Pub. L. 100-647, title I, §1007(f)(2), (3), Nov. 10, 1988, 102 Stat. 3433, provided that:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section [enacting this section and sections 53 and 56 to 59 of this title and amending sections 5, 12, 26, 28, 29, 38, 48, 173, 174, 263, 381, 443, 703, 882, 897, 904, 936, 1016, 1363, 1366, 1561, 6154, 6425, and 6655 of this title] shall apply to taxable years beginning after December 31, 1986.

"(2) ADJUSTMENT OF NET OPERATING LOSS.—

"(A) INDIVIDUALS.—In the case of a net operating loss of an individual for a taxable year beginning after December 31, 1982, and before January 1, 1987, for purposes of determining the amount of such loss which may be carried to a taxable year beginning after December 31, 1986, for purposes of the minimum tax, such loss shall be adjusted in the manner provided in section 55(d)(2) of the Internal Revenue Code of 1954 [now 1986] as in effect on the day before the date of the enactment of this Act [Oct. 22, 1986].

"(B) CORPORATIONS.—If the minimum tax of a corporation was deferred under section 56(b) of the Internal Revenue Code of 1954 [now 1986] (as in effect on the day before the date of the enactment of this Act [Oct. 22, 1986]) for any taxable year beginning before January 1, 1987, and the amount of such tax has not been paid for any taxable year beginning before January 1, 1987, the amount of the net operating loss carryovers of such corporation which may be carried to taxable years beginning after December 31, 1986, for purposes of the minimum tax shall be reduced by the amount of tax preferences a tax on which was so deferred.

"(3) INSTALLMENT SALES.—Section 56(a)(6) of the Internal Revenue Code of 1986 (as amended by this section) shall not apply to any disposition to which the amendments made by section 811 of this Act [enacting section 453C of this title] (relating to allocation of deal-

er's indebtedness to installment obligations) do not apply by reason of section 811(c)(2) of this Act [enacting provisions set out as a note under section 453C of this title].

"(4) EXCEPTION FOR CHARITABLE CONTRIBUTIONS BEFORE AUGUST 16, 1986.—Section 57(a)(6) of the Internal Revenue Code of 1986 (as amended by this section) shall not apply to any deduction attributable to contributions made before August 16, 1986.

"(5) BOOK INCOME.—

"(A) IN GENERAL.—In the case of a corporation to which this paragraph applies, the amount of any increase for any taxable year under [former] section 56(c)(1)(A) of the Internal Revenue Code of 1986 (as added by this section) shall be reduced (but not below zero) by the excess (if any) of—

"(i) 50 percent of the excess of taxable income for the 5-taxable year period ending with the taxable year preceding the 1st taxable year to which such section applies over the adjusted net book income for such period, over

"(ii) the aggregate amounts taken into account under this paragraph for preceding taxable years.

"(B) TAXPAYER TO WHOM PARAGRAPH APPLIES.—This paragraph applies to a taxpayer which was incorporated in Delaware on May 31, 1912.

"(C) TERMS.—Any term used in this paragraph which is used in section 56 of such Code (as so added) shall have the same meaning as when used in such section.

"(6) CERTAIN PUBLIC UTILITY.—

"(A) In the case of investment tax credits described in subparagraph (B) or (C), subsection 38(c)(3)(A)(ii) of the Internal Revenue Code of 1986 shall be applied by substituting '25 percent' for '75 percent', and section 38(c)(3)(B) of the Internal Revenue Code of 1986 shall be applied by substituting '75 percent' for '25 percent'.

"(B) If, on September 25, 1985, a regulated electric utility owned an undivided interest, within the range of 1,111 and 1,149, in the 'maximum dependable capacity, net, megawatts electric' of an electric generating unit located in Illinois or Mississippi for which a binding written contract was in effect on December 31, 1980, then any investment tax credit with respect to such unit shall be described in this subparagraph. The aggregate amount of investment tax credits with respect to the unit in Mississippi allowed solely by reason of being described in this subparagraph shall not exceed \$141,000,000.

"(C) If, on September 25, 1985, a regulated electric utility owned an undivided interest, within the range of 1,104 and 1,111, in the 'maximum dependable capacity, net, megawatts electric' of an electric generating unit located in Louisiana for which a binding written contract was in effect on December 31, 1980, then any investment tax credit of such electric utility shall be described in this subparagraph. The aggregate amount of investment tax credits allowed solely by reason of being described by this subparagraph shall not exceed \$20,000,000.

"(7) AGREEMENT VESSEL DEPRECIATION ADJUSTMENT.—

"(A) For purposes of part VI of subchapter A of chapter 1 of the Internal Revenue Code of 1986, in the case of a qualified taxpayer, alternative minimum taxable income for the taxable year shall be reduced by an amount equal to the agreement vessel depreciation adjustment.

"(B) For purposes of this paragraph, the agreement vessel depreciation adjustment shall be an amount equal to the depreciation deduction that would have been allowable for such year under section 167 of such Code with respect to agreement vessels placed in service before January 1, 1987, if the basis of such vessels had not been reduced under section 607 of the Merchant Marine Act of 1936 [see 46 U.S.C. 53510], as amended, and if depreciation with respect to such vessel had been computed using the 25-year straight-line method. The aggregate amount by which basis of a qualified taxpayer is treated as not reduced by reason of this subparagraph shall not exceed \$100,000,000.

“(C) For purposes of this paragraph, the term ‘qualified taxpayer’ means a parent corporation incorporated in the State of Delaware on December 1, 1972, and engaged in water transportation, and includes any other corporation which is a member of the affiliated group of which the parent corporation is the common parent. No taxpayer shall be treated as a qualified corporation for any taxable year beginning after December 31, 1991.”

SAVINGS PROVISION

For provisions that nothing in amendment by section 11813(b)(5) of Pub. L. 101-508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101-508, set out as a note under section 45K of this title.

TRANSITIONAL PROVISIONS

Pub. L. 100-647, title I, §1007(f)(1), Nov. 10, 1988, 102 Stat. 3433, provided that: “In the case of the taxable year of an estate or trust which begins before January 1, 1987, and ends on or after such date, the items of tax preference apportioned to any beneficiary of such estate or trust under section 58(c) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986 [Oct. 22, 1986]) shall be taken into account for purposes of determining the amount of the tax imposed by section 55 of the Internal Revenue Code of 1986 (as amended by the Tax Reform Act of 1986 [Pub. L. 99-514]) on such beneficiary for such beneficiary’s taxable year in which such taxable year of the estate or trust ends.”

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1998

For provisions directing that if any amendments made by subtitle D [§§1401-1465] of title I of Pub. L. 104-188 require an amendment to any plan or annuity contract, such amendment shall not be required to be made before the first day of the first plan year beginning on or after Jan. 1, 1998, see section 1465 of Pub. L. 104-188, set out as a note under section 401 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1994

For provisions directing that if any amendments made by subtitle B [§§521-523] of title V of Pub. L. 102-318 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1994, see section 523 of Pub. L. 102-318, set out as a note under section 401 of this title.

APPLICABILITY OF CERTAIN AMENDMENTS BY PUB. L. 99-514 IN RELATION TO TREATY OBLIGATIONS OF UNITED STATES

For applicability of amendment by section 701(a) of Pub. L. 99-514 [enacting this section] notwithstanding any treaty obligation of the United States in effect on Oct. 22, 1986, with provision that for such purposes any amendment by title I of Pub. L. 100-647 be treated as if it had been included in the provision of Pub. L. 99-514 to which such amendment relates, see section 1012(aa)(2), (4) of Pub. L. 100-647, set out as a note under section 861 of this title.

HIGH INCOME TAXPAYER REPORT

Pub. L. 94-455, title XXI, §2123, Oct. 4, 1976, 90 Stat. 1915, as amended by Pub. L. 98-369, div. A, title IV, §441(b)(1), July 18, 1984, 98 Stat. 815, provided that: “The Secretary of the Treasury shall publish annually information on the amount of tax paid by individual taxpayers with high total incomes. Total income for this purpose is to be calculated and set forth by adding to adjusted gross income any items of tax preference ex-

cluded from, or deducted in arriving at, adjusted gross income, and by subtracting any investment expenses incurred in the production of such income to the extent of the investment income. These data are to include the number of such individuals with total income over \$200,000 who owe no Federal income tax (after credits) and the deductions, exclusions, or credits used by them to avoid tax.”

[Pub. L. 98-369, div. A, title IV, §441(b)(2), July 18, 1984, 98 Stat. 815, provided that: “The amendment made by paragraph (1) [amending section 2123 of Pub. L. 94-455, set out above] shall apply to information published after the date of the enactment of this Act [July 18, 1984].”]

§ 56. Adjustments in computing alternative minimum taxable income

(a) Adjustments applicable to all taxpayers

In determining the amount of the alternative minimum taxable income for any taxable year the following treatment shall apply (in lieu of the treatment applicable for purposes of computing the regular tax):

(1) Depreciation

(A) In general

(i) Property other than certain personal property

Except as provided in clause (ii), the depreciation deduction allowable under section 167 with respect to any tangible property placed in service after December 31, 1986, shall be determined under the alternative system of section 168(g). In the case of property placed in service after December 31, 1998, the preceding sentence shall not apply but clause (ii) shall continue to apply.

(ii) 150-percent declining balance method for certain property

The method of depreciation used shall be—

(I) the 150 percent declining balance method,

(II) switching to the straight line method for the 1st taxable year for which using the straight line method with respect to the adjusted basis as of the beginning of the year will yield a higher allowance.

The preceding sentence shall not apply to any section 1250 property (as defined in section 1250(c)) (and the straight line method shall be used for such section 1250 property) or to any other property if the depreciation deduction determined under section 168 with respect to such other property for purposes of the regular tax is determined by using the straight line method.

(B) Exception for certain property

This paragraph shall not apply to property described in paragraph (1), (2), (3), or (4) of section 168(f), or in section 168(e)(3)(C)(iv).

(C) Coordination with transitional rules

(i) In general

This paragraph shall not apply to property placed in service after December 31, 1986, to which the amendments made by