

Credit For Prior Year Minimum Tax— Individuals, Estates, and Trusts

► Attach to your tax return.

OMB No. 1545-1073

2001

Attachment
Sequence No. **74**

Identifying number

Part I Net Minimum Tax on Exclusion Items

1 Combine lines 16 through 18 of your 2000 Form 6251. Estates and trusts, see instructions	1		
2 Enter adjustments and preferences treated as exclusion items (see instructions)	2		
3 Minimum tax credit net operating loss deduction (see instructions)	3	(	)
4 Combine lines 1, 2, and 3. If zero or less, enter -0- here and on line 15 and go to Part II. If more than \$165,000 and you were married filing separately for 2000, see instructions	4		
5 Enter: \$45,000 if married filing jointly or qualifying widow(er) for 2000; \$33,750 if single or head of household for 2000; or \$22,500 if married filing separately for 2000. Estates and trusts, enter \$22,500	5		
6 Enter: \$150,000 if married filing jointly or qualifying widow(er) for 2000; \$112,500 if single or head of household for 2000; or \$75,000 if married filing separately for 2000. Estates and trusts, enter \$75,000	6		
7 Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9	7		
8 Multiply line 7 by 25% (.25)	8		
9 Subtract line 8 from line 5. If zero or less, enter -0-. If this form is for a child under age 14, see instructions	9		
10 Subtract line 9 from line 4. If zero or less, enter -0- here and on line 15 and go to Part II. Form 1040NR filers, see instructions	10		
11 If for 2000 you reported capital gain distributions directly on Form 1040, line 13, or completed Schedule D (Form 1040 or 1041) and had an amount on line 25 or line 27 of Schedule D (Form 1040) (line 24 or line 26 of Schedule D (Form 1041)) or would have had an amount on either of those lines had you completed them, go to Part III of Form 8801 to figure the amount to enter on this line. All others: Multiply line 10 by 26% (.26) if line 10 is: \$175,000 or less if single, head of household, married filing jointly, qualifying widow(er), or an estate or trust for 2000; or \$87,500 or less if married filing separately for 2000. Otherwise, multiply line 10 by 28% (.28) and subtract from the result: \$3,500 if single, head of household, married filing jointly, qualifying widow(er), or an estate or trust for 2000; or \$1,750 if married filing separately for 2000	11		
12 Minimum tax foreign tax credit on exclusion items (see instructions)	12		
13 Tentative minimum tax on exclusion items. Subtract line 12 from line 11	13		
14 Enter the amount from your 2000 Form 6251, line 27, or Form 1041, Schedule I, line 38	14		
15 Net minimum tax on exclusion items. Subtract line 14 from line 13. If zero or less, enter -0-	15		

Part II Minimum Tax Credit and Carryforward to 2002

16 Enter the amount from your 2000 Form 6251, line 28, or 2000 Form 1041, Schedule I, line 39	16		
17 Enter the amount from line 15 above	17		
18 Subtract line 17 from line 16. If less than zero, enter as a negative amount	18		
19 2000 minimum tax credit carryforward. Enter the amount from your 2000 Form 8801, line 26	19		
20 Enter the total of your 2000 unallowed nonconventional source fuel credit and 2000 unallowed qualified electric vehicle credit (see instructions)	20		
21 Combine lines 18, 19, and 20. If zero or less, stop here and see instructions	21		
22 Enter your 2001 regular income tax liability minus allowable credits (see instructions)	22		
23 Enter the amount from your 2001 Form 6251, line 26, or 2001 Form 1041, Schedule I, line 37	23		
24 Subtract line 23 from line 22. If zero or less, enter -0-	24		
25 Minimum tax credit. Enter the smaller of line 21 or line 24. Also enter this amount on your 2001 Form 1040, line 50; Form 1040NR, line 46; or Form 1041, Schedule G, line 2d	25		
26 Minimum tax credit carryforward to 2002. Subtract line 25 from line 21. Keep a record of this amount because you may use it in future years	26		

Part III Line 11 Computation Using Maximum Capital Gains Rates

Caution: If you did not complete Schedule D (Form 1040) for 2000 because you reported capital gain distributions directly on Form 1040, line 13, see the instructions before you complete this part. If you are an individual and you did not complete Part IV of your 2000 Schedule D (Form 1040), complete lines 20 through 27 of that Schedule D before completing this part. For an estate or trust that did not complete Part V of the 2000 Schedule D (Form 1041), complete lines 19 through 26 of that Schedule D before completing this part.

27	Enter the amount from line 10			27		
28	Enter the amount from your 2000 Schedule D (Form 1040), line 27 (or 2000 Schedule D (Form 1041), line 26)	28				
29	Enter the amount from your 2000 Schedule D (Form 1040), line 25 (or 2000 Schedule D (Form 1041), line 24)	29				
30	Add lines 28 and 29	30				
31	Enter the amount from your 2000 Schedule D (Form 1040), line 22 (or 2000 Schedule D (Form 1041), line 21)	31				
32	Enter the smaller of line 30 or line 31			32		
33	Subtract line 32 from line 27. If zero or less, enter -0- ▶			33		
34	Multiply line 33 by 26% (.26) if line 33 is: \$175,000 or less if single, head of household, married filing jointly, qualifying widow(er), or an estate or trust for 2000; or \$87,500 or less if married filing separately for 2000. Otherwise , multiply line 33 by 28% (.28) and subtract from the result: \$3,500 if single, head of household, married filing jointly, qualifying widow(er), or an estate or trust for 2000; or \$1,750 if married filing separately for 2000			34		
35	Enter the amount from your 2000 Schedule D (Form 1040), line 36 (or 2000 Schedule D (Form 1041), line 35). If you did not complete Part IV of your 2000 Schedule D (Form 1040) (Part V of the 2000 Schedule D (Form 1041) for an estate or trust), enter -0-	35				
36	Enter the smallest of line 27, line 28, or line 35 ▶	36				
37	Multiply line 36 by 10% (.10)			37		
38	Enter the smaller of line 27 or line 28	38				
39	Enter the amount from line 36	39				
40	Subtract line 39 from line 38 ▶	40				
41	Multiply line 40 by 20% (.20)			41		
If line 29 is zero or blank, skip lines 42 through 45 and go to line 46.						
42	Enter the amount from line 27	42				
43	Add lines 33, 36, and 40	43				
44	Subtract line 43 from line 42	44				
45	Multiply line 44 by 25% (.25)			45		
46	Add lines 34, 37, 41, and 45			46		
47	Multiply line 27 by 26% (.26) if line 27 is: \$175,000 or less if single, head of household, married filing jointly, qualifying widow(er), or an estate or trust for 2000; or \$87,500 or less if married filing separately for 2000. Otherwise , multiply line 27 by 28% (.28) and subtract from the result: \$3,500 if single, head of household, married filing jointly, qualifying widow(er), or an estate or trust for 2000; or \$1,750 if married filing separately for 2000			47		
48	Enter the smaller of line 46 or line 47 here and on line 11			48		

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form 8801 if you are an individual, estate, or trust to figure the minimum tax credit, if any, for alternative minimum tax (AMT) you incurred in prior tax years and to figure any minimum tax credit carryforward.

Who Should File

Complete Form 8801 if you are an individual, estate, or trust that had:

- An AMT liability in 2000 and adjustments or preferences (other than exclusion items) in 2000,
- A minimum tax credit carryforward from 2000 to 2001, or
- A nonconventional source fuel credit or a qualified electric vehicle credit not allowed for 2000 (see the instructions for line 20).

File Form 8801 only if line 21 is more than zero.

Specific Instructions

The AMT is attributable to two types of adjustments and preferences—deferral items and exclusion items.

Deferral items (for example, depreciation) generally do not cause a permanent difference in taxable income over time. **Exclusion items** (for example, the standard deduction), on the other hand, do cause a permanent difference. The minimum tax credit is allowed only for the AMT attributable to deferral items.

Line 1—Estates and Trusts

Skip lines 1 through 3 of Form 8801. Complete Parts I and II of another 2000 Form 1041, Schedule I. For Part I of Schedule I, take into account only exclusion items (the amounts included on lines 4a through 4d, 4p, and 4q, and the section 1202 exclusion tax preference item included on line 4u) and any other adjustments related to exclusion items included on line 4u of Schedule I. On line 7 of Schedule I, use the minimum tax credit net operating loss deduction (MTCNOLD). However, do not limit the MTCNOLD to 90% of the amount on line 6 of Schedule I (see the instructions for line 3 on this page for how to figure the MTCNOLD). In Part II of Schedule I, complete lines 18 and 19 without taking into account any basis adjustments arising from deferral items. If the amount on Schedule I,

line 12, is zero or less, enter zero on Form 8801, line 4. Otherwise, enter on Form 8801, line 4, the amount from Schedule I, line 12, adjusted for exclusion items that were allocated to the beneficiary.

Line 2

Enter on this line the adjustments and preferences treated as exclusions. Exclusion items are your AMT adjustments and preferences for: the standard deduction, itemized deductions (including any investment interest expense reported on Schedule E), certain tax-exempt interest, depletion, the section 1202 exclusion, and any other adjustments related to exclusion items. Combine lines 1 through 7, 13, 14b, and 14m of your 2000 Form 6251. **Do not** include any amount from line 12 of the 2000 Form 6251. Instead, include the exclusion item amount from line 12d of the Schedule(s) K-1 (Form 1041) you received for 2000. If you included on line 14o of the 2000 Form 6251 any adjustments related to exclusion items, also include those adjustments in the amount you enter on line 2. Enter the total on line 2.

Note: *If you included any exclusion item on a line not listed above, include that item in the amount you enter on line 2. For example, if depletion was included on Form 6251 as an adjustment on line 11 (passive activities) instead of on line 14b (depletion), include it as an exclusion item in the amount you enter on line 2.*

Line 3

Your minimum tax credit net operating loss deduction (MTCNOLD) is the aggregate of the minimum tax credit net operating loss (MTCNOL) carryovers and carrybacks to 2000. Your MTCNOL is figured as follows.

For loss years beginning after 1986, your MTCNOL is the excess of the deductions (excluding the MTCNOLD) over the income used to figure alternative minimum taxable income (AMTI) taking into account only exclusion items. Figure this excess with the modifications in section 172(d) taking into account only exclusion items (that is, the section 172(d) modifications must be figured separately for the MTCNOL).

For example, the limitation of nonbusiness deductions to the amount of nonbusiness income must be figured separately for the MTCNOL using only nonbusiness income and deductions but taking into account only exclusion items. However, ignore

the disallowance of the deduction for personal exemptions under section 172(d)(3) because it has already been taken into account to figure AMTI attributable only to exclusion items.

For loss years beginning before 1987, the amount of MTCNOL that may be carried forward to tax years beginning after 1986 is equal to the amount of regular tax NOL that may be carried from such loss years to the first tax year beginning after 1986.

To determine the amount of MTCNOL that may be carried to tax years other than 2000, apply sections 172(b)(2) and 172(d) with appropriate modifications to take into account only exclusion items.

Line 4

If your filing status was married filing separately for 2000 and line 4 is more than \$165,000, you must include an additional amount on line 4. If line 4 is \$255,000 or more, include an additional \$22,500 on line 4. Otherwise, include 25% of the excess of the amount on line 4 over \$165,000. For example, if the amount on line 4 is \$185,000, enter \$190,000 instead—the additional \$5,000 is 25% of \$20,000 (\$185,000 minus \$165,000).

Line 9

If this form is for a child who was under age 14 on January 1, 2001, and at least one of the child's parents was alive on December 31, 2000, **do not** enter more than the sum of the child's 2000 earned income plus \$5,200.

Line 10

If you filed Form 1040NR for 2000 and had a net gain on the disposition of U.S. real property interests, line 10 cannot be less than the smaller of that net gain or line 4.

Line 12

The minimum tax foreign tax credit on exclusion items (MTFTCE) is your 2000 AMT foreign tax credit (AMTFTC) refigured using only exclusion items. Follow these steps to figure your MTFTCE.

1. Use a separate 2000 Form 1116 for the MTFTCE for each separate limitation category specified at the top of Form 1116.

Note: *When applying the separate limitation categories, use the applicable AMT rate instead of the regular tax rate to determine if any income is "high-taxed."*

2. If you figured your 2000 AMTFTC using the simplified limitation election, skip Part I and enter on the MTFTCE Form 1116, line 16, the same amount you entered on that line for the 2000 AMT Form 1116. Otherwise, complete Part I using only taxable income and exclusion items that are attributable to sources outside the United States. If the Instructions for Form 1116 require you to complete Worksheet A or B, you must first complete an MTFTCE Worksheet for Line 17, following the instructions under **5** below.

3. Complete lines 9 through 13 of the MTFTCE Form 1116. For line 9, use the same amount you entered on that line for 2000 for the regular tax. Use your MTFTCE carryover, if any, on line 10.

4. If you did not figure your 2000 AMTFTC using the simplified limitation election, complete lines 14 through 16 of the MTFTCE Form 1116.

5. If you did not complete Part III of Form 8801, enter the amount from Form 8801, line 4, on line 17 of the MTFTCE Form 1116 and go to **6** below. Otherwise, follow these steps to complete, for the MTFTCE, the Worksheet for Line 17 on page 11 of the 2000 Form 1116 instructions.

a. Enter the amount from Form 8801, line 4, on line 1 of the MTFTCE Worksheet for Line 17.

b. Complete Part IV of a 2000 Schedule D (Form 1040) (or Part V of Schedule D (Form 1041)) for the MTFTCE as follows. Enter the amount from Form 8801, line 10, on line 19 of the MTFTCE Schedule D (line 18 of Schedule D (Form 1041)). Use amounts from Parts I, II, and III of your 2000 Schedule D (Form 1040) (or Parts I through IV of Schedule D (Form 1041)) for the regular tax to complete the rest of the MTFTCE Schedule D (or if you **did not** complete Schedule D (Form 1040) for 2000 because you reported capital gain distributions directly on Form 1040, line 13, enter the amount from Form 1040, line 13, on lines 20, 22, and 27 of the MTFTCE Schedule D, and enter zero on lines 21 and 23 through 26). You may skip lines 33, 37, 41, 47, and 51 through 54 (lines 32, 36, 40, 46, and 50 through 53 of Schedule D (Form 1041)). Keep the MTFTCE Schedule D for your records, but **do not** attach it to your tax return.

c. Complete the rest of the MTFTCE Worksheet for Line 17 using the amounts from the MTFTCE Schedule D.

6. Enter the amount from Form 8801, line 11, on the MTFTCE Form 1116, line 19. Complete lines 18, 20, and 21 of the MTFTCE Form 1116.

7. Complete Part IV of the first MTFTCE Form 1116 only. Enter the amount from the MTFTCE Form 1116, line 33, on Form 8801, line 12.

8. Keep all Forms 1116 you used to figure your MTFTCE, but **do not** attach them to your tax return.

If line 13 of the MTFTCE Form 1116 is greater than line 20 of the MTFTCE Form 1116, keep a record of the difference. This amount is carried forward and used to figure your MTFTCE next year.

Line 20

Enter the total of any nonconventional source fuel credit and qualified electric vehicle credit not allowed for 2000 solely because of the limitations under sections 29(b)(6)(B) and 30(b)(3)(B).

Line 21

If line 21 is zero or less, you do not have a minimum tax credit or a minimum tax credit carryforward. **Do not** complete the rest of this form and do not file it.

Line 22

Follow the instructions below and refer to your 2001 income tax return to figure the amount to enter on line 22.

Caution: *If you are filing Form 6765, Credit for Increasing Research Activities, you **must** reduce the amount you would otherwise enter on line 22 by the amount on line 56 of Form 6765 or Form 3800, line 18c (the suspended credit allowed for the current year).*

Form 1040. Subtract from the amount on line 40 the total of any credits on lines 43 through 50 (not including any credit for prior year minimum tax) and any write-in credit on line 51. If the result is zero or less, enter zero.

Form 1040NR. Subtract from the amount on line 39 the total of any credits on lines 42 through 46 (not including any credit for prior year minimum tax) and any write-in credit on line 47. If the result is zero or less, enter zero.

Form 1041, Schedule G. Subtract the total of any credits on lines 2a through 2c from the sum of lines 1a and 1b. If the result is zero or less, enter zero.

Part III—Line 11 Computation Using Maximum Capital Gains Rates

If you **did not** complete Schedule D (Form 1040) for 2000 because you reported capital gain distributions directly on Form 1040, line 13, then:

- Enter the amount of your 2000 capital gain distributions on Form 8801, lines 28 and 30 through 32,
- Skip Form 8801, line 29, and
- Enter on Form 8801, line 35, the amount, if any, from line 7 of the **Capital Gain Tax Worksheet** in the instructions for line 40 of the 2000 Form 1040.

Paperwork Reduction Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping, 2 hr., 4 min.; **Learning about the law or the form,** 1 hr., 51 min.; **Preparing the form,** 1 hr., 40 min.; **Copying, assembling, and sending the form to the IRS,** 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

