



Certified Public Accountants
& Business Advisors

*A Firm That Cares About Its Clients
Large Enough To Know, Small Enough To Care*

Alternative Minimum Tax

The alternative minimum tax (AMT) continues to burden more than just high-income taxpayers; middle-income taxpayers can also be affected. Certain deductions taken on your personal tax return - such as personal exemptions, state income taxes, property taxes, miscellaneous itemized deductions - cannot be deducted in calculating the AMT.

If it looks like you may be subject to the AMT this year, we should discuss what actions can be taken to reduce your exposure. Since the calculation of the AMT begins with adjusted gross income, lowering your adjusted gross income by maximizing contributions to a tax-deferred retirement plan (e.g., 401(k)) or tax-deferred health savings account may be appropriate. Additionally, if you use your home for business, related expenses (e.g., a portion of your property taxes, mortgage interest, etc.) allocable to Schedule C will also reduce your adjusted gross income.