

Alternative Minimum Tax 1998

Calculation of Income

Name of corporation/ designated filer	Minnesota ID number	FEIN
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Adjusted income	1	Minnesota net income (from Form M4-I, line 7)	1	_____
	2	Federal adjustments (sum of lines 2a - 21 and line 2r from federal Form 4626)	2	_____
	3	Minnesota modification for MACRS depreciation (see instructions)	3	_____
	4	Add lines 2 and 3	4	_____
Accelerated depreciation	5	a. Intangible drilling costs (from line 2o of federal Form 4626)	5a	_____
		b. Reduction allowed under IRC section 57(a)(2)(E)	b	_____
		Add lines 5a and 5b	5	_____
	6	a. Accelerated depreciation of real property (from line 2p of federal Form 4626)	6a	_____
		b. Minnesota modification (see instructions)	b	_____
		Subtract line 6b from line 6a	6	_____
	7	a. Accelerated depreciation of leased personal property (from line 2q of federal Form 4626)	7a	_____
		b. Minnesota modification (see instructions)	b	_____
		Subtract line 7b from line 7a	7	_____
		8	Minnesota tax preference items (add lines 5 - 7)	8
	9	Add lines 1, 4 and 8	9	_____
Adjusted current earnings	10	Adjusted current earnings adjustment		
		a. Fill in the amount from line 6 of Schedule ACE (see back)	10a	_____
		b. Subtract line 9 from line 10a (see instructions)	b	_____
		c. Multiply line 10b by 75% (.75). Fill in as a positive number	c	_____
	d. Excess of prior ACE increases over reductions (see instructions) ..	d	_____	
	ACE adjustment (see instructions)	10	_____	
Alternative minimum taxable income	Alternative minimum taxable income			
	11	Add lines 9 and 10. If zero or less, stop here. If \$310,000 or more, skip lines 12a and 12b and fill in zero on line 12. If less than \$310,000, continue on line 12.	11	_____
	12	a. Subtract \$150,000 from line 11. If zero or less, fill in zero ...	12a	_____
		b. Multiply line 12a by 25% (.25)	b	_____
		Exemption. Subtract line 12b from \$40,000	12	_____
	13	Subtract line 12 from line 11. If zero or less, fill in zero.	13	_____
14	Total non-apportionable income (from Form M4-I, line 8)	14	_____	
15	Alternative minimum tax income (subtract line 14 from line 13)	15	_____	

(Fill in on Schedule AMTT, line 1)

Instructions for Schedule AMT Income

You must file Schedule AMT-I if your Minnesota net income (from Form M4-I, line 7), combined with your adjustments and tax preferences (including adjusted current earnings), exceeds \$40,000 or your allowable exemption amount. Federal Form 4626 must be filled out before you can complete Schedule AMT-I.

The following are not subject to alternative minimum tax:

- regulated investment companies (RICs)
- real estate investment trusts (REITs)
- real estate mortgage investment conduits (REMICs)
- cooperatives
- small corporations exempt from federal AMT under IRC section 55(e)

Schedule AMT-I, line 3

Adjustment for MACRS depreciation is required on line 3 if:

- you have property placed in service before 1988 that requires a depreciation

adjustment in any year on federal Form 4626, line 2a;

- you made depreciation addbacks (on Schedule ACRS) for that property in tax years beginning before 1990.

For tax years beginning after 1989, the Minnesota alternative depreciation system for alternative minimum taxable income (ADS-AMTI) is computed the same as federal, except that the adjusted basis is the federal adjusted ADS-AMTI basis plus the pre-1990 depreciation addbacks and any amount of basis reduction because of the federal investment credit. Attach a schedule showing your computation.

Line 6b Fill in any amount of addback that is listed on Schedule ACRS, line 3, for this property, but not more than the amount on line 6a.

Line 7b Fill in any amount of addback that is listed on Schedule ACRS, line 2, for this property but not more than the amount on line 7a.

Line 10b See instructions for federal Form 4626, line 4b, for examples of how to compute this amount.

Line 10d See instructions for federal Form 4626, line 4d, for examples of how to compute this amount. You must fill in an amount on line 10d even if line 10b is positive.

Line 10 If line 10b is a positive number or zero, fill in the amount from line 10c as a positive amount on line 10. If line 10b is a negative number, fill in the amount from line 10c or line 10d, whichever is less, as a negative amount on line 10.

Minnesota Adjusted Current Earnings

ACE

Name of corporation/ designated filer

Minnesota ID number

FEIN

Adjusted current earnings

1	Pre-adjustment Minnesota alternative minimum taxable income (from Schedule AMT-I, line 9)	1	<u> </u>
2	a. Fill in the amount from your federal ACE worksheet line 2a 2a		<u> </u>
	b. Minnesota adjustments (from Schedule AMT-I, lines 3, 6b and 7b) b		<u> </u>
	c. Subtract line 2b from line 2a c		<u> </u>
	d. Fill in the amount from your federal ACE worksheet, line 2b(7) d		<u> </u>
	e. Minnesota adjustment (see instructions) e		<u> </u>
	f. Subtract line 2e from line 2d f		<u> </u>
	Minnesota ACE depreciation adjustment (subtract line 2f from line 2c)	2	<u> </u>
3	Fill in the sum of line 3b through 3e from your federal ACE worksheet	3	<u> </u>
4	Fill in the sum of line 4b through 4e from your federal ACE worksheet	4	<u> </u>
5	Fill in the sum of line 5f, 6, 7 and 9 from your federal ACE worksheet	5	<u> </u>
6	Minnesota ACE (add lines 1, 2, 3, 4, and 5)	6	<u> </u>

(Fill in line 6 on Schedule AMT-I, line 10a)

You do not need to file Schedule ACE

Schedule ACE, line 2e. A Minnesota adjusted current earnings (ACE) depreciation adjustment is required on line 2e if you have property placed in service before 1998 that requires an adjustment on line 2b(3) or 2b(4) of the federal ACE worksheet and you have made depreciation addbacks on Schedule ACRS for that property in tax years beginning before 1990.

For assets requiring this adjustment, the Minnesota ACE depreciation is computed the same as the federal ACE, except that the

adjusted basis at the beginning of the first tax year beginning after 1989 is the federal ACE basis plus all depreciation addback made for Minnesota tax purposes in tax years beginning before 1990 and any amount of basis reduction because of the federal investment credit. Attach a schedule showing the computations of your total adjustment.

Schedule ACE line 3 and 4. Fill in the amounts from the appropriate lines of your federal ACE worksheet. In computing Minnesota ACE, no adjustment is to be made for subtractions listed on Form M4-I, lines 4b, 4d or 4e.