

# FYI – For Your Information

## Alternative Minimum Tax

There is a Colorado Alternative Minimum Tax (AMT) for individuals, estates and trusts. There is no Colorado AMT for corporations. The Colorado AMT is the amount by which 3.75 percent of the Colorado alternative minimum taxable income exceeds the normal tax. It is due in addition to your regular Colorado income tax. [§39-22-105 C.R.S.] Taxpayers owing Colorado Alternative Minimum Tax must file a 104 AMT form, “Colorado Alternative Minimum Tax Computation Schedule,” along with the Colorado 104 tax return form.

### **DO YOU OWE COLORADO ALTERNATIVE MINIMUM TAX?**

If you owe federal alternative minimum tax, you **may** owe Colorado Alternative Minimum Tax. Only rarely will a Colorado taxpayer owe Colorado AMT without owing a federal AMT. If your **tentative** Colorado Alternative Minimum Tax exceeds your normal Colorado income tax, the excess is your Colorado AMT.

Use the following computation to determine if you owe Colorado Alternative Minimum Tax:

Federal alternative minimum taxable income.

- PLUS (+)** Any positive modifications required to be made for regular income tax purposes such as non-Colorado state and local bond interest not already included in federal alternative minimum taxable income
- MINUS (-)** Federal alternative minimum tax exemption
- MINUS (-)** Any negative modifications allowed for normal income tax purposes such as federal bond interest or pension exclusions but not including any amount subtracted in arriving at federal alternative minimum taxable income
- MINUS (-)** Any Colorado or local bond interest included in federal alternative minimum taxable income
- EQUALS (=)** Colorado alternative minimum taxable income

Your Colorado alternative minimum taxable income multiplied by 3.75 percent equals your tentative Colorado AMT. If the final figure in this computation is **less** than your normal Colorado income tax, you do not owe a Colorado AMT. If the final figure is **more** than your normal Colorado income tax, the excess amount is the Colorado Alternative Minimum Tax you owe.



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Sales Tax: (303) 232-2416  
Withholding Tax: (303) 232-2416  
Income Tax: (303) 232-2446  
Severance Tax: (303) 232-2446  
Fuel Tax: (303) 232-2451

### **PRE-1987 CARRY-OVERS**

To modify your federal income for pre-1987 federal net operating loss carryovers, add back on line 2 of the Colorado 104 AMT form the federal alternative minimum tax net operating loss carryover, rather than the federal regular net operating loss carryover.

### **CREDIT FOR PRIOR YEAR AMT**

Retroactive to tax year 1988, taxpayers may take a credit of 18 percent of their federal credit for prior-year AMT. This is a non-refundable credit. Any excess credit cannot be carried over to another year. [§39-22-105 (3) C.R.S.]

### **COLORADO AMT FOR PART-YEAR RESIDENTS AND NONRESIDENTS**

Part-year residents and nonresidents must compute a tentative Colorado AMT as though they were full-year residents. The full-year tax amount is then apportioned in the ratio of the modified federal alternative minimum taxable income (MFAMTI) reportable to Colorado over the total MFAMTI. [§39-22-105 (4) C.R.S.]. For part-year residents, the MFAMTI reportable to Colorado is the MFAMTI earned during the part of the year the taxpayer was a resident of Colorado **plus** the Colorado-source MFAMTI, if any, earned while the taxpayer was a nonresident. For nonresidents, the Colorado AMT is the ratio of MFAMTI earned in Colorado to total MFAMTI. Please consult the AMT instructions for part-year residents and nonresidents on the back of the 104 AMT form.

### **CREDIT FOR PRIOR YEAR AMT FOR PART-YEAR RESIDENTS AND NONRESIDENTS**

Part-year residents and nonresidents must apportion the credit in the ratio of the prior-year Colorado-source MFAMTI to the prior year's total MFAMTI.

### **COLORADO ESTIMATED TAX PAYMENTS**

Any estimated tax computation must take into account the AMT liabilities that will be incurred in the next year or have been incurred in the prior year.

### **FURTHER INFORMATION**

For more information on related topics, consult the following DOR publications:

- FYI General 1 "Department of Revenue Publications";
- FYI General 5 "General Information About Colorado State Taxes";
- FYI General 8 "The FYI Program - Index and General Information";
- FYI Income 20 "United States Government Interest."

Single FYIs are free from the Taxpayer Service Division. They may be obtained at any statewide Taxpayer Service Center; or by writing to the Colorado Department of Revenue, 1375 Sherman St., Denver, CO 80261; or by calling the DOR Forms Hotline at (303) 232-2414. Please use the FYI number (General 1, Sales 9, etc.) when ordering FYI publications. FYIs and commonly used forms are available on the Internet at [www.state.co.us](http://www.state.co.us) under "Government" and "Department of Revenue."

For a complete set of FYIs (approximately 130, on sales, income, excise and withholding taxes), you may purchase **The Complete Book of FYIs** at low cost from the State Forms Center, Division of Correctional Industries, 4200 Garfield St., Denver, CO 80216. An order form is contained in FYI General 1, or call the State Forms Center, (303) 321-4164, for ordering information.