

FYI – For Your Information

Alternative Minimum Tax

Individuals, estates and trusts may be subject to the Colorado Alternative Minimum Tax (AMT). There is no Colorado AMT for corporations. The Colorado AMT is the amount by which 3.47 percent of the Colorado alternative minimum taxable income exceeds the normal tax. It is due in addition to your regular Colorado income tax. [C.R.S. 39-22-105]. 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 additions to income 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 subtractions from income allowed for normal income tax purposes such as federal bond interest or pension subtractions 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 3.47 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 difference amount is the Colorado Alternative Minimum Tax you owe.



Colorado Department of Revenue
Taxpayer Service Division
1375 Sherman St.
Denver, Colorado 80261

Forms and other services:
(303) 238-FAST (3278)
Assistance:
(303) 238-SERV (7378)
Fuel Tax: (303) 205-5602
www.taxcolorado.com

CREDIT FOR PRIOR YEAR AMT

Taxpayers may take a credit of 12 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. [C.R.S. 39-22-105 (3)].

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. [C.R.S. 39-22-105 (4)]. 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

FYIs and commonly used forms are available on the Web at www.taxcolorado.com

For additional tax information, visit our Customer Support Site for "*Frequently Asked Questions*," also located on our Web site.