

Name of Estate or Trust shown on IA 1041: \_\_\_\_\_

Federal Employer ID Number: \_\_\_\_\_

**PART I - Iowa Adjustments and Preferences. See instructions**

- 1. Interest from federal Schedule I (Form 1041) ..... 1. \_\_\_\_\_
- 2. Taxes from IA 1041 line 11, less federal income tax..... 2. \_\_\_\_\_
- 3. Refund of taxes (exclude Iowa income tax) ..... 3.( \_\_\_\_\_ )
- 4. Qualified small business stock..... 4. \_\_\_\_\_
- 5. Exercise of incentive stock options (excess of AMT income over regular tax income) .... 5. \_\_\_\_\_
- 6. Other estates and trusts, amount from federal Schedule K-1(Form 1041)..... 6. \_\_\_\_\_
- 7. Disposition of property (difference between AMT and regular tax gain or loss) ..... 7. \_\_\_\_\_
- 8. Depreciation on assets placed in service after 1986 (difference between regular tax and AMT) ..... 8. \_\_\_\_\_
- 9. Passive activities (difference between AMT and regular tax income or loss)..... 9. \_\_\_\_\_
- 10. Loss limitations (difference between AMT and regular tax income or loss) ..... 10. \_\_\_\_\_
- 11. Circulation costs (difference between regular tax and AMT)..... 11. \_\_\_\_\_
- 12. Long-term contracts (difference between AMT and regular tax income)..... 12. \_\_\_\_\_
- 13. Mining costs (difference between regular tax and AMT) ..... 13. \_\_\_\_\_
- 14. Research and experimental costs (difference between regular tax and AMT) ..... 14. \_\_\_\_\_
- 15. Income from certain installment sales before January 1, 1987 ..... 15.( \_\_\_\_\_ )
- 16. Other adjustments, including income-based related adjustments ..... 16. \_\_\_\_\_
- 17. Total adjustments and preferences. Add lines 1 through 16 ..... 17. \_\_\_\_\_

**PART II - Iowa Alternative Minimum Taxable Income**

- 18. Taxable income from IA 1041, line 22..... 18. \_\_\_\_\_
- 19. Net operating loss deduction. Do not enter as negative amount..... 19. \_\_\_\_\_
- 20. Add lines 17, 18 and 19 ..... 20. \_\_\_\_\_
- 21. Iowa Alternative Minimum Tax net operating loss deduction. See instructions ..... 21. \_\_\_\_\_
- 22. Iowa Alternative Minimum Taxable Income. Subtract line 21 from line 20 ..... 22. \_\_\_\_\_

**PART III - Iowa Exemption Amount and Iowa Alternative Minimum Tax**

- 23. Subtract \$75,000 from line 22. If zero or less, enter zero ..... 23. \_\_\_\_\_
- 24. Multiply line 23 by 25% (.25)..... 24. \_\_\_\_\_
- 25. Subtract line 24 from \$17,500. If zero or less, enter zero ..... 25. \_\_\_\_\_
- 26. Subtract line 25 from line 22. If zero or less, enter zero ..... 26. \_\_\_\_\_
- 27. Tentative Iowa Alternative Minimum Tax. Multiply line 26 by 6.4% (.064) ..... 27. \_\_\_\_\_
- 28. Regular tax less exemption credit. Enter IA 1041, line 23, less \$40. If zero or less, enter zero ..... 28. \_\_\_\_\_
- 29. Iowa Alternative Minimum Tax. Subtract line 28 from line 27; enter here and on IA 1041, line 25. If zero or less, enter zero. See instructions for Iowa Alternative Minimum Tax Limited to Net Worth..... 29. \_\_\_\_\_

**PART IV - Nonresidents Only – Complete lines 30-33**

- 30. Enter Iowa taxable income plus Iowa adjustments and preferences. If zero or less enter zero. See instructions. .... 30. \_\_\_\_\_
- 31. Total taxable income plus total adjustments and preferences. If zero or less enter zero. See instructions ..... 31. \_\_\_\_\_
- 32. Divide line 30 by line 31 and enter the result to three decimal places. If greater than one, enter one. See instructions ..... 32. \_\_\_\_\_
- 33. Iowa Alternative Minimum Tax. Multiply line 29 by line 32. Enter here and on IA 1041, line 25. See instructions ..... 33. \_\_\_\_\_

# Instructions for 2020 IA 1041 Schedule I - Iowa Alternative Minimum Tax - Estates and Trusts

## Who Must File IA 1041 Schedule I?

Beginning with tax year 2016, all estates and trusts that had one or more of the adjustments or preferences in Part I must complete IA 1041 Schedule I to see if they owe Iowa Alternative Minimum Tax (AMT). Taxpayers may have an Iowa AMT liability even if they owed no federal AMT. Nonresidents who have a liability for Iowa AMT are required to file an Iowa return even if they have no regular Iowa income tax liability.

**NOTE:** The Iowa AMT Credit is available that may reduce the regular tax of an estate or trust for Iowa AMT paid in a prior year. See instructions for form IA 8801.

## Part I - Iowa Adjustments and Preferences

Part I of the IA 1041 Schedule I corresponds to Part I of federal form 1041, Schedule I except as noted.

**Line 1 and Lines 4 through 16:** See the corresponding lines on federal form 1041, Schedule I for additional guidance.

**Line 8:** If the amount of your Iowa depreciation deduction for this year was different from the amount of your federal depreciation deduction, you may need to recalculate the amounts shown on the federal form 1041, Schedule I, line 12 to adjust for the Iowa amount. Recalculate this amount by using the Iowa depreciation deduction amounts shown on this year's IA 4562A, and following the federal AMT adjustment instructions for federal form 1041, Schedule I, line 12.

**Line 16:** If the amount of your Iowa depreciation deduction for this year was different from the amount of your federal depreciation deduction, you may need to recalculate the amounts shown on the federal form 1041, Schedule I, line 21 to adjust for the Iowa amount. Recalculate this amount by using the Iowa depreciation deduction amounts shown on this year's IA 4562A, and following the federal AMT adjustment instructions for federal form 1041, Schedule I, line 21.

**NOTE:** The federal tax preferences for percentage depletion of an oil, gas, or geothermal well and intangible drilling costs from federal form 1041, Schedule I are not tax preferences but are additions to income on IA 1041, line 8.

## Part II - Iowa Alternative Minimum Taxable Income

**Line 21:** A net operating loss can be carried back or carried forward to reduce a taxpayer's alternative minimum taxable income. However, before the net operating loss can be deducted, it must be reduced by any adjustments and tax preferences used in computing the net operating loss. A net operating loss that is carried to the current tax year on line 21 cannot exceed 90% of the amount on line 20. Any portion of the net operating loss that cannot be used can be carried over to the next tax year.

## Part IV - Nonresidents

A taxpayer that is not a full-year resident of Iowa is required to pay Iowa AMT only on the percentage of adjustments and tax preferences that are Iowa source. Lines 30 through 33 in Part IV must be completed to calculate the Iowa AMT liability for nonresidents only if one has Iowa source adjustments or preferences.

**Line 30:** Add Iowa taxable income from IA 1041 Schedule C, line 22 Column A, plus the total of only those adjustments and tax preferences from IA 1041 Schedule I, line 17 that are from Iowa sources.

**Line 31:** Add all-source taxable income from IA 1041 Schedule C, line 22 Column B, plus the total of all adjustments and tax preferences from IA 1041 Schedule I, line 17.

**Line 32:** Divide line 30 by line 31 and enter the result to three decimal places (Example: .786).

**Line 33:** Multiply line 29 by line 32. The result is the Iowa AMT and is to be entered on IA 1041, line 25. See the instructions below relating to Iowa alternative minimum tax limited to net worth.

## Iowa Alternative Minimum Tax Limited to Net Worth

Taxpayers who meet all qualifications for a distressed sale, but have a debt to asset ratio of 75% or less, are not subject to the AMT in an amount greater than the taxpayer's net worth. In situations where a taxpayer has multiple transactions (forfeitures, transfers, sales, or exchanges), AMT is limited to net worth prior to the last transaction in the tax year. Complete IA 6251B form to determine net worth.

## Questions?

[tax.iowa.gov](http://tax.iowa.gov)

515-281-3114 or 800-367-3388

[idr@iowa.gov](mailto:idr@iowa.gov)