

Historical Features of Individual Minimum Taxes

Year	Legislation	Joint Filers Exemption	Single Exemption ¹	Tax Rates (percent) ²	Comments
Add-On Tax					
1969	TRA	\$30,000+regular tax	\$30,000+regular tax	10	Main preference item is capital gains. Also, stock options, depreciation and depletion allowances.
1976	TRA	Greater of \$10,000 or 1/2 regular tax	Greater of \$10,000 or 1/2 regular tax	15	Certain itemized deductions added as preferences.
1978	Revenue Act of 1978	NC ³	NC	15	Capital gains and itemized deductions moved to AMT.
1982	TEFRA				Repealed
Alternative Minimum Tax					
1978	Revenue Act of 1978	\$20,000	\$20,000	10 on 0-40k 20 on 40k-80k 25 on 80k+	Tax base is capital gains and certain itemized deductions.
1981	ERTA	NC	NC	10 on 0-40 k 20 on 40k+	Top AMT rate reduced 20 percent.
1982	TEFRA	\$40,000	\$30,000	20	Preferences from add-on tax moved to AMT.
1986	TRA	NC	NC	21	Regular tax taxes all capital gains, restricts passive losses. AMT base is expanded to include deferral items. AMT credit for deferral items and exemption phase-out introduced.
1990	OBRA	NC	NC	24	-----
1993	RRA	\$45,000	\$33,750	26 on 0-175k ⁴ 28 on 175k+	-----
1998	TTREA	NC	NC	NC	Personal nonrefundable credits allowed against regular tax liability regardless of AMT for 1998. EITC and refundable child credit not reduced by AMT liability in 1998.
1999	TREA	NC	NC	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2001. Credits allowed against regular tax only in 1999 and against regular tax and AMT for 2000, 2001. EITC and refundable child credit not reduced by AMT liability through 2001.
2001	EGTRRA	\$49,000 (2001-2004)	\$35,750 (2001-2004)	NC	Use of child, adoption, and IRA credits regardless of AMT extended through 2010. EITC and refundable child credit not reduced by AMT liability through 2010.
2002	JCWAA	NC	NC	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2003.
2003	JGTRRA	\$58,000 (2003-2004)	\$40,250 (2003-2004)	NC	-----
2004	AJCA	NC	NC	NC	Repealed 90 percent limitation on use of foreign tax credits.
2004	WFTRA	\$58,000 (2005)	\$40,250 (2005)	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2005.

2005	TIPRA	\$62,550 (2006)	\$42,500 (2006)	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2006.
2007	TIPA	\$66,250 (2007)	\$44,350 (2007)	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2007.
2008	EESA	\$69,950 (2008)	\$46,200 (2008)	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2008.
2009	ARRA	\$70,950 (2009)	\$46,700 (2009)	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2009.
2010	2010 Tax Act	\$72,450 (2010)	\$47,450 (2010)	NC	Use of all personal nonrefundable credits regardless of AMT extended through 2011
2012	ATRA	\$74,450 (2011) \$78,750	\$48,450 (2011) \$50,600		
2013		\$80,800	\$51,900	NC	AMT exemption amounts and bracket cutoff permanently indexed for inflation after 2012
				26% up to \$179,500 28% above \$179,500	

(1) The exemption for single filers also applies to heads of household. The exemption for married individuals filing a separate return is half that for joint filers.

(2) Rates apply to alternative minimum taxable income above exemption level.

(3) NC=no change.

(4) Exemption phases out starting at income of \$150,000, creating effective rates of 32.5 and 35 percent in the phase-out range.

Sources:

TRA 1969: Public Law 91-172, TRA 1976: Public Law 94-455, Revenue Act of 1978: Public Law 95-600, ERTA 1981: Public Law 97-34, TEFRA 1982: Public Law 97-248, TRA 1986: Public Law 99-514, OBRA 1990: Public Law 101-508, RRA 1993: Public Law 103-66, TTREA 1998: Public Law 105-277, TREA 1999: Public Law 106-70, EGTRRA 2001: Public Law 107-16, JCWAA 2002: Public Law 107-147, JGTRAA 2003: Public Law 108-27, AJCA 2004: Public Law 108-357, WFTRA 2004: Public Law 180-311, TIPRA 2005: Public Law 109-222, TIPA 2007: Public Law 110-166, EESA 2008: Public Law 110-343, ARRA 2009: Public Law 111-5.

2010 Tax Act: Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, Public Law 111-312.

Tax Provisions in the American Taxpayer Relief Act of 2012 (ATRA), James Nunns and Jeffrey Rohaly, Tax Policy Center, 9 Jan 2013.

"The Individual AMT: Problems and Potential Solutions," by Leonard Burman, William Gale, Jeffrey Rohaly, and Benjamin Harris. Discussion Paper No. 5. Tax Policy Center, September 2002.