

# Credit for Prior Year Alternative Minimum Tax — Individuals or Fiduciaries

1994

3510

Attach this form to your return.

Name(s) as shown on return	Social security number
	Federal employer identification number

**Part I Net Alternative Minimum Tax on Exclusions**

**Section A — Form 540, Form 540NR and Form 541 Filers**

1 Combine the amounts from your 1993 Schedule P (540 or 540NR), Part II, line 15 through line 17, and enter the result here. Schedule P (541) filers: see instructions . . . . .	1	
2 Enter any adjustments and tax preference items treated as exclusions. See instructions . . . . .	2	
3 Alternative minimum tax credit net operating loss (NOL) deduction. See instructions . . . . .	3	(            )
4 Combine line 1 through line 3. If zero or less, enter -0- here and on line 13, see instructions. If you were married filing separate for 1993 and this amount is more than \$155,000, see instructions . . . . .	4	
5 Enter the amount from your 1993 Schedule P (540 or 540NR) line 21 worksheet, line 1. Schedule P (541) filers: enter \$20,000 . . . . .	5	
6 Enter the amount from your 1993 Schedule P (540 or 540NR) line 21 worksheet, line 3. Schedule P (541) filers: enter \$75,000 . . . . .	6	
7 Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9. Otherwise go to line 8 . . . . .	7	
8 Multiply line 7 by 25% (.25) . . . . .	8	
9 Subtract line 8 from line 5. If zero or less, enter -0-. If completing for a child under age 14, see instructions . . . . .	9	
10 Subtract line 9 from line 4. If zero or less, enter -0- here and on line 13. See instructions . . . . .	10	
11 Tentative minimum tax on exclusions. Multiply line 10 by 8.5% (.085). 1993 Form 540NR filers: enter the result here and go to Section B . . . . .	11	
12 Regular tax before credits. Enter the amount from your 1993 Schedule P (540), Part III, line 24; or Schedule P (541), Part III, line 9c . . . . .	12	
13 Net AMT on exclusions. Subtract line 12 from line 11. If zero or less, enter -0-. Enter the result here and go to Part II . . . . .	13	

**Section B — 1993 Form 540NR Filers**

14 Enter the amount from Part I, Section A, line 4 . . . . .	14	
15 Enter the amount from your 1993 Schedule P (540NR), Part III, line 24b . . . . .	15	
16 Total AMT exclusion adjusted gross income. Add line 14 and line 15 . . . . .	16	
17 Enter the amount of California adjusted gross income from your 1993 Schedule P (540NR), Part IV, line 1 . . . . .	17	
18 Enter depletion from your 1993 Schedule P (540NR), Part IV, line 4g . . . . .	18	
19 AMT California exclusion adjusted gross income. Combine line 17 and line 18 . . . . .	19	
20 Ratio. Divide line 19 by line 16. Enter the percentage . . . . .	20	%
21 Nonresident or part-year resident tentative minimum tax on exclusions. Multiply the amount from this form Part I, Section A, line 11 by the percentage from line 20 above . . . . .	21	
22 Enter the amount from your 1993 Schedule P (540NR), Part III, line 26 . . . . .	22	
23 Net AMT on exclusions. Subtract line 22 from line 21. If less than zero, enter -0- . . . . .	23	

**Part II Computation of Credit**

24 Enter the alternative minimum tax from your 1993 Schedule P (540), Part III, line 25; Schedule P (540NR), Part III, line 27; or Schedule P (541), Part III, line 10. See instructions. . . . .	24	
25 Net alternative minimum tax on exclusions. Enter the amount from this form Part I, Section A, line 13. Schedule P (540NR) filers: enter the amount from this form Part I, Section B, line 23 . . . . .	25	
26 Adjusted net alternative minimum tax. Subtract line 25 from line 24. If less than zero, enter as a negative amount . . . . .	26	
27 Enter any carryover of unused alternative minimum tax credit from the prior year. See instructions . . . . .	27	
28 Total available credit. Combine line 26 and line 27. If zero or less, you do not have a credit. See instructions . . . . .	28	

# Instructions for Form FTB 3510

## Credit for Prior Year Alternative Minimum Tax — Individuals or Fiduciaries

### General Information

#### A Purpose of Form

Use this form to figure your 1994 California credit for prior year alternative minimum tax (AMT), if any, for AMT incurred in a taxable year beginning after 1986.

#### B Who Must File

To claim the credit for prior year AMT, individuals and fiduciaries must complete form FTB 3510. Individuals and fiduciaries qualify for the credit if they:

- had an alternative minimum tax credit carryover from 1993; or
- paid AMT for 1993, and had 1993 adjustments and tax preference items other than exclusions.

Corporations must use Schedule P (100), Part III.

#### C Exclusions and Deferral Preferences

The 1993 AMT you paid is attributable to two types of adjustments and tax preferences, those called exclusions and those called deferral preferences. The amount of AMT attributable to the deferral preferences is available as a credit in 1994.

**Exclusions** are those adjustments and preference items that cause a permanent difference in the amount of tax you pay. The adjustments and preference items that are exclusions include:

- the standard deduction or itemized deductions;
- appreciated property charitable deduction; and
- depletion.

**Deferral preferences** are those adjustments and tax preference items that cause only a temporary difference in the amount of tax you pay. The adjustments and tax preference items that are deferral preferences are all the other items listed on your 1993 Schedule P that are not exclusions.

Use form FTB 3510, Part I, to figure the amount of 1993 AMT that was attributable to only the exclusions.

Use form FTB 3510, Part II, to figure the amount of 1993 AMT that was attributable to the deferral preferences and the amount available as a credit in 1994.

California conformed in 1993 to the federal repeal of the AMT depletion adjustment for independent oil and gas producers and royalty owners. As a result, depletion amounts deducted from income for purposes of computing the regular tax must be adjusted for AMT purposes, using the methods prescribed by the federal rules. Your California depletion costs may continue to differ from the federal amounts, however, because of prior differences in the law and different bases.

If you had depletion costs as an item of tax preference for purposes of computing your 1993 AMT, you should file an amended return for 1993 recomputing the AMT using federal rules, before you claim the credit for prior year's AMT on form FTB 3510 on your 1994 return.

### Specific Line Instructions

#### Line 1

Schedule P (541) filers: Add any disaster loss deduction from your 1993 Form 541, line 15b, to the taxable income from your 1993 Form 541, line 19, and enter the result here.

However, in figuring the taxable income from your 1993 Form 541, line 19, you must refigure the income distribution deduction from your 1993 Form 541, line 18, on an alternative minimum tax basis excluding deferral items. To do this, refigure your 1993 Schedule P (541), Part II, following the line instructions for Part II, but excluding deferral items (begin by subtracting your 1993 Schedule P (541), Part I, line 4r and line 5g from Part I, line 8.

#### Line 2

Enter the adjustments and tax preference items treated as exclusions.

Schedule P (540) filers, combine your 1993 Schedule P (540), Part I, line 1 through line 7, line 13a, and line 13c.

Schedule P (540NR) filers, combine your 1993 Schedule P (540NR), Part I, line 1 through line 7, line 13a, and line 13c.

Schedule P (541) filers combine your 1993 Schedule P (541), Part I, line 4e; and line 5c.

**Note:** If you included any exclusions on a line other than those listed above, add these exclusions to the total.

#### Line 3

Your alternative minimum tax credit net operating loss (NOL) deduction is loss deduction for 1993 determined under California Revenue and Taxation Code Section 17276, 17276.2 or 17276.3, subject to the following rules:

- for loss years beginning after 1986, an NOL that has exclusion items is reduced by the amount of these exclusion items (see the instructions for line 2); and
- for loss years beginning before 1987, the amount of NOL that may be carried over to taxable years beginning after 1986 is equal to the amount that may be carried over from such loss years to the first taxable year beginning after 1986 for regular tax purposes.

Do not enter on line 3 more than the total of line 1 and line 2. The amount that exceeds the total of line 1 and line 2 must be carried over for use in a later year. If the total of line 1 and line 2 is negative, enter -0- on line 3 and carry over all of the alternative minimum tax credit NOL deduction to the next year.

#### Line 4

If line 4 is zero and you paid 1993 AMT, all of the 1993 AMT is attributable to the deferral preferences. Enter -0- on line 13, then complete Part I, Section B, if applicable and Part II to figure the available credit for 1994.

If you were married filing a separate return for 1993 and line 4 is greater than \$155,000, you must include an additional amount on line 4. If line 4 is \$235,000 or more, include an additional \$20,000 on line 4. Otherwise, include 25 percent (.25) of the excess of the amount on line 4 over \$155,000. For example, if the amount on line 4 is \$175,000, enter \$180,000 instead. The additional \$5,000 results from multiplying \$20,000 (\$175,000 - \$155,000) by 25 percent (.25).

#### Line 9

If you are completing this form for a child who was under age 14 on January 1, 1995, and at least one of the child's parents was alive on December 31, 1994, do not follow the instructions on this form for line 9. Instead, if line 8 is equal to or more than line 5, enter -0- on line 9; otherwise enter the smaller of: (1) the amount by which line 5 exceeds line 8; or (2) the amount from line 17 of the line 21 worksheet of the child's 1993 Schedule P (540) or Schedule P (540NR).

#### Line 10

If line 10 is zero and you paid 1993 AMT, all of the 1993 AMT is attributable to the deferral preferences. Enter -0- on line 13, then complete Part I, Section B, if applicable and Part II to figure the available credit for 1994.

#### Line 24

If you reduced your 1993 AMT by any commercial solar energy credit carryover or solar energy credit carryover from your 1993:

- Schedule P (540), Part IV, Section D, line 46 and line 47, column (b);
- Schedule P (540NR), Part V, Section D, line 49 and line 50, column (b); or
- Schedule P (541), Part IV, Section D, line 42 and line 43, column (b);

reduce the amount on this line by the same amount and enter the amount of the reduction in the space to the left of line 24.

#### Line 27

Enter the amount of any unused alternative minimum tax credit carryover from your 1993:

- Schedule P (540), Part IV, Section B, line 33, column (d);
- Schedule P (540NR), Part V, Section B, line 36, column (d); or
- Schedule P (541), Part IV, Section B, line 29, column (d).

#### Line 28

Enter this amount on your 1994:

- Schedule P (540), Part IV, Section B, line 33, column (a);
- Schedule P (540NR), Part V, Section B, line 35, column (a); or
- Schedule P (541), Part IV, Section B, line 28, column (a).

If line 28 is zero or less, you do not have a prior year AMT credit or a prior year AMT credit carryover.

**Note:** Fiduciaries must provide an allocation schedule showing each beneficiary's name, identification number and allocable share of the credit.