CHAPTER 81-03-05.5
DEDUCTION AND CREDIT FOR ALTERNATIVE MINIMUM INCOME TAX

Section
81-03-05.5-01 Credit for North Dakota Alternative Minimum Tax [Repealed]
81-03-05.5-02 Deduction for Federal Alternative Minimum Tax

81-03-05.5-01. Credit for North Dakota alternative minimum tax.

Repealed effective June 1, 2002.

81-03-05.5-02. Deduction for federal alternative minimum tax.

The following provisions are applicable for purposes of interpreting subdivision c of subsection 1 of North Dakota Century Code section 57-38-01.3:

1. **Definitions.** The following definitions are applicable in computing a taxpayer's federal alternative minimum tax deduction:

   a. "Apportionment factor" means a fraction, computed pursuant to North Dakota Century Code chapter 57-38, 57-38.1, or 57-59, used to divide business income of a multistate taxpayer among states.

   b. "Disallowed federal alternative minimum tax" means the amount of federal alternative minimum tax for which a taxpayer did not receive a state income tax deduction pursuant to subdivision c of subsection 1 of North Dakota Century Code section 57-38-01.3.

   c. "Federal" means the United States.

   d. "Federal alternative minimum tax" means the amount of federal alternative minimum tax computed under chapter 1 of the Internal Revenue Code of 1986, as amended.

   e. "Federal income tax ratio" means North Dakota taxable income divided by income relating to federal income tax accrued.

   f. "State alternative minimum tax deduction" means the amount of disallowed federal alternative minimum tax which a taxpayer is allowed to claim as a deduction for purposes of determining North Dakota taxable income.

   g. "Taxpayer" means a corporation that is required to file an income tax return in North Dakota.

2. **Requirements to claim a state alternative minimum tax deduction.** A taxpayer is entitled to claim a state alternative minimum tax deduction for any federal alternative minimum tax accrued subsequent to December 31, 1986, if the following conditions are met:

   a. The taxpayer filed a North Dakota corporate income tax return for the same year in which the federal alternative minimum tax was accrued.

   b. The deduction is taken in a taxable year beginning after December 31, 1990.

   c. The deduction is taken in the same taxable year for which the taxpayer took a credit for federal alternative minimum tax.

3. **Computation of state alternative minimum tax deduction.** A deduction for alternative minimum tax must be computed in the following manner:

a.	Disallowed federal alternative minimum tax.		xxx
b.	Separate company pro forma income tax liability for all the profit companies that are on the consolidated return and included in the unitary group. Use the method described in Internal Revenue Code section 1.1552-1(a)(2).	xxx	
c.	Separate company pro forma federal income tax liability for all of the profit companies that are included on the consolidated return.	xxx	
d.	Line b divided by line c.		xxx
e.	Unitary companies' share of consolidated disallowed federal alternative minimum tax (line a multiplied by line d).		xxx
f.	Federal taxable income of the unitary companies which are included on the consolidated return.	xxx	
g.	Amount of federal taxable income reported on line f that is not taxable in North Dakota.	xxx	
h.	Federal taxable income attributable to North Dakota (line f minus line g).	xxx	
i.	Line h divided by line f.		xxx
j.	Line i multiplied by line e.		xxx
k.	The federal income tax ratio or the apportionment factor for the taxable year in which the federal alternative minimum tax was accrued, whichever is applicable.		xxx
l.	State alternative minimum tax deduction (line j multiplied by line k).		xxx

4. **Limitation on amount of state alternative minimum tax deduction.** The amount claimed for a state alternative minimum tax deduction cannot exceed the taxpayer's North Dakota taxable income before any state net operating loss. Any excess deduction may be carried forward and used in a year which meets the requirements of subsection 2.

5. **Additional provisions.**

   a. If members of a unitary group filed more than one federal income tax return, subdivisions a through j in subsection 3 must be repeated for each federal income tax return and the result totaled before application of the income tax ratio or apportionment factor.

   b. A taxpayer may exclude subdivisions b through d in subsection 3 when:

      (1) A North Dakota return is filed using the combined report method and all corporations included in the federal consolidated return are included in the combined report.

      (2) A corporation does not file a federal consolidated return.

History: Effective November 1, 1991.
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