



## Illustration of proposed AMT changes

To show the effects of the proposed changes as a whole, we consider the example of a client donating \$2,100,000 in publicly listed securities that have a capital gain of \$2,000,000.

	Current Rules	Proposed Changes
Regular taxable income	\$2,000,000	\$2,000,000
Capital gain resulting from donation of publicly listed securities	\$0	\$600,000 <sup>1</sup>
Adjusted taxable income for AMT purposes	\$2,000,000	\$2,600,000
Exemption	(\$40,000)	(\$173,000)
Charitable Tax Credit	(\$608,972)	(\$304,486)
AMT tax rate	15.00%	20.50%
AMT tax	\$0	\$193,049
Ordinary tax <sup>2</sup>	\$27,833	\$27,833
Applicable tax	Ordinary tax	AMT tax
Tax paid in surplus	N/A	\$165,215

<sup>1</sup> 30% of the capital gain.

<sup>2</sup> Calculations are based on the 2023 federal tax brackets and do not take into account any other tax credits that could reduce the individual's ordinary tax.