



# YERBA BUENA

Financial Partners

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## QUOTE OF THE MONTH

*Enjoy the little things, for one day, you may look back and realize they were the big things. —Robert Brault*

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## HISTORY OF THE ALTERNATIVE MINIMUM TAX



The Alternative Minimum Tax (AMT) is a tax provision that operates as a sort of tax double take. It has existed since 1969, requiring taxpayers to calculate their tax liability twice—once under the regular income tax rules and again under the AMT. Ultimately, they end up paying the higher amount between the two calculations. The AMT has different exemptions, rates,

and fewer preferences than the regular tax system. To determine the AMT, taxpayers must add certain deductions to their income, resulting in their Alternative Minimum Taxable Income (AMTI). This AMTI is then compared to the regular taxable income, and the taxpayer pays the higher of the two amounts.

However, the Tax Cuts and Jobs Act (TCJA) of 2017 brought about significant changes to the AMT, making it less burdensome for many taxpayers. The TCJA increased the AMT exemption, which means that a more substantial amount of income is exempt from the AMT calculation. The income threshold for phaseouts also rose, allowing more taxpayers to manage the AMT. Furthermore, certain deductions that the AMT previously favored were reduced or eliminated. As a result of these changes, the number of taxpayers affected by the AMT has significantly decreased. It's important to note that the current schedule has TCJA provisions related to the AMT set to expire after 2025, which means that the AMT rules may revert to their previous form.<sup>1</sup>

This update is for informational purposes only and is not a replacement for real-life advice. Consult your tax or accounting professionals for more specific information on the AMT.

## LESS SCREEN TIME TO REDUCE STRESS



Smartphones, gaming systems, and screens are everywhere, adding a touch of excitement and convenience to our lives. They're in our homes, bedrooms, offices, vehicles, pockets, and purses, always ready to entertain and assist us. Have you ever considered how much time you or your family spend glued to those screens? You may have seen weekly alerts from your phone telling you you've used it longer than you thought possible. Sound familiar? While these devices bring joy and usefulness, striking a balance is essential.

Excessive screen time can sometimes leave us feeling disconnected. Picture this: when you're engrossed in your device, you might miss out on something significant. It could be quality time with your loved ones, exercising, pursuing hobbies, or even enjoying well-deserved relaxation. By cutting down on screen time, we can free up more precious moments to connect with family and friends. Reducing screen time may supercharge your physical health, unlock exciting playtime, strengthen relationships, and boost your mood. Finding that balance, allowing for more physical activity, quality time with loved ones, and exploring new adventures can offer many mental and physical health benefits. So, put down that phone for a bit, take a deep breath, and enjoy your life; you may be surprised how refreshed you feel.<sup>3</sup>

## GOLF TIP - PRACTICE PUTTING WITH TEES



Next time you are on the practice green, line up a putt that doesn't break and put two tees on either side of your putter head so that the putter can just pass through. Put the ball in the middle of the tees and try to putt it without hitting them. This teaches you to putt using the putter's sweet spot.<sup>2</sup>

## DID YOU KNOW?



Neil Armstrong missed a deadline and nearly missed going to the moon.

In 1962, Armstrong submitted his application for the second round of NASA astronaut hiring several days late. Dick Day, NASA's assistant head of flight crew operations, knew that Armstrong had "the right stuff" and secretly slipped his tardy application into the candidate pile on his behalf.<sup>4</sup>



## ON THE BRIGHT SIDE



*For the first time in nearly 50 years, the Adams County SPCA has no dogs left to adopt. Credit: Adams County SPCA*

In Pennsylvania, the Adams County SPCA is celebrating a remarkable achievement after finding homes for nearly every pet in their shelter right before Christmas. With only one cat remaining, this was the first time in 47 years the facility had found homes for so many at once. The organization expressed its excitement and called it a "true miracle," crediting the hard work of staff and volunteers. In total, 94 animals were adopted, and 26 strays have been reunited with their owners since November 1. The shelter is now assisting other shelters in Pennsylvania that are still full. While the holiday season may have contributed to the increase in adoptions, the organization advises against giving pets as gifts, as they represent a long-term commitment for the recipients.<sup>5</sup>

## BRAIN TEASER

An older man walks. Two young men in excellent physical condition are just a few feet behind him and sprinting. No matter how fast they run, they can't catch up with the older man. Why can't they – and where are these people?

Answer: All three are on treadmills in a gym.

Best regards,

Andrew Zittell  
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1. Taxpolicycenter.org, January 16, 2024
  2. Golf.com, January 16, 2024
  3. Mayo Clinic, January 16, 2024
  4. Today I Found Out, January 16, 2024
  5. NBC's Today, December 26, 2023
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