Internal Revenue Code Section 56(d)(2)(A)
Adjustments in computing alternative minimum taxable income

(d) Alternative tax net operating loss deduction defined.
   (1) In general.
   For purposes of subsection (a)(4), the term "alternative tax net operating loss deduction" means the net operating loss deduction allowable for the taxable year under section 172, except that-
   (A) the amount of such deduction shall not exceed the sum of-
      (i) the lesser of-
         (I) the amount of such deduction attributable to net operating losses (other than the deduction described in clause (ii)(I)), or
         (II) 90 percent of alternative minimum taxable income determined without regard to such deduction and the deduction under section 199, plus
      (ii) the lesser of-
         (I) the amount of such deduction attributable to an applicable net operating loss with respect to which an election is made under section 172(b)(1)(H), or
         (II) alternative minimum taxable income determined without regard to such deduction and the deduction under section 199 reduced by the amount determined under clause (i), and
   (B) in determining the amount of such deduction-
      (i) the net operating loss (within the meaning of section 172(c)) for any loss year shall be adjusted as provided in paragraph (2), and
      (ii) appropriate adjustments in the application of section 172(b)(2) shall be made to take into account the limitation of subparagraph (A).

   (2) Adjustments to net operating loss computation.
      (A) Post-1986 loss years. In the case of a loss year beginning after December 31, 1986, the net operating loss for such year under section 172(c) shall-
         (i) be determined with the adjustments provided in this section and section 58, and
         (ii) be reduced by the items of tax preference determined under section 57 for such year.
An item of tax preference shall be taken into account under clause (ii) only to the extent such item increased the amount of the net operating loss for the taxable year under section 172(c).

(B) Pre-1987 years. In the case of loss years beginning before January 1, 1987, the amount of the net operating loss which may be carried over to taxable years beginning after December 31, 1986, for purposes of paragraph (2), shall be equal to the amount which may be carried from the loss year to the first taxable year of the taxpayer beginning after December 31, 1986.

(3) Repealed.