



Date: December 4, 2024
To: MeF Vendors
Subject: Individual Instructions Update

The Montana Department of Revenue has updated the instructions for Individual Income tax Form 2. There was a line reference error in the Form 2 Instructions on page 11. The highlighted bit in this image should have read "enter 0 on line 11."

Line 25 – 529/529A deposit. If you want all or part of your refund deposited into a 529 Qualified Tuition Program (Family Education Savings Account) or a 529A (Achieving a Better Life Experience (ABLE)) savings account, complete the 529/529A Direct Deposit Information section in the Direct Deposit section. Your deposit must be more than \$25 per account.

Line 26 - Refund. This is your refund. This amount cannot be less than zero.

Montana Individual Income Tax Calculation

Complete lines 1 through 12 to determine your Montana tax liability, which consists of the Montana Ordinary Income Tax and the Montana Net Long-Term Capital Gains Tax. If you are a resident, the amount on line 13 is your tax liability. Nonresidents, part-year residents, and Montana residents filing jointly with a nonresident or part-year resident spouse complete lines 1 through 12, then use the Net Long-Term Capital Gains Tax on line 11 and the Montana Ordinary Income Tax to figure the total Montana tax liability on Schedule II, Tax on Montana Source Income.

For Montana Ordinary Income above the amounts below, all net long-term capital gains are taxed at 4.1 percent.

Filing Status	Montana Ordinary Income
Single and married filing separately	\$20,500
Married filing jointly and qualifying surviving spouses	\$41,000
Head of household	\$30,750

Line 1. Enter the amount of taxable income from page 1, line 7. If you do not have a net long-term capital gain, skip lines 2 through 10, and enter **0 on line 1.** Use the Ordinary Income Tax Table on Page 14 to determine your Montana Ordinary Income Tax that is reported on line 12.

Line 2 – Net long-term capital gains. Enter the net long-term capital gains that are subject to the federal net long-term capital gains tax. Generally, this amount is the lesser of federal Schedule D, line 15 or Schedule D, line 16. If you are not required to file a Schedule D because you meet the exception to file a federal Schedule D, report the amount on your Form 1040, line 7. You meet the exception to file a federal Schedule D if you are not deferring any capital gain by investing in a qualified opportunity fund and you have no capital losses; your only capital gains are

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