



2018

**MeF
Individual Income Tax
ATS Packet
Draft Version**

December 18, 2018

Montana MeF ATS Testing Overview

New for TY2018, Montana no longer has a Form 2EZ or a stand-alone version of the Form 2EC. The Form 2EC has to be submitted with the Form 2. This ATS test packet includes thirteen tests. Also new for TY2018 are the addition of reject codes.

The following pages will include the test scenario as well as a list of the line items we expect to be completed for each test. The line numbers listed in the table for each scenario are for the Form 2 and Form 2EC. The data submitted for the indicated lines will be determined by the developer, except for where specifically noted. The lines listed are the minimum amount of information we expect to see on the return. If you would like to test additional information please feel free to do so.


There are a few instances where we are testing negative values. The lines containing negative values will be highlighted in red. In the lists, some line numbers are followed by "P", "S" or "P/S". The "P" indicates the primary filer, the "S" indicates the spouse, and the "P/S" indicates both primary and spouse should be represented.

Our testing environment will be available for vendors to submit returns against to test reject codes, communication, acknowledgements or other reasons. We will not review any returns until we receive notice from the vendor that the **entire** test packet is ready. Partial test packets will not be reviewed. Once ATS test cases have been submitted to the IRS and are ready for our review, please email the following information to DORMeF@mt.gov:

- Montana Form Type (IIT)
- Name of software vendor
- Product name of software
- State Submission IDs and ATS test SSN for each test return
- PDF for each Submission ID

Along with the information listed above please include an exception document highlighting **any** changes from our ATS test cases.

An ATS Request for Review includes Notification (mentioned above), ATS test returns, exception document and PDF copies. Once the department receives an ATS Request for Review, a tester will be scheduled to review the returns. It is our intention to review all test returns within 3-5 business days of receipt. After the returns are reviewed, the department will send a test summary document identifying items that need to be corrected. When making corrections please resend all the returns in the test packet for review unless otherwise instructed.

If the filing season has already started and you are still testing,  **DO NOT** submit any production returns. After all ATS test cases have been approved you will receive notification from the Montana Department of Revenue. At that point you may start submitting production returns.

For any communications to our department regarding testing please email DORMEF@mt.gov.

Test 1: Form 2

Rex Wilder is single, full year resident with no dependents. He works for a restaurant and received tips, has some interest, and received unemployment benefits. Rex will claim a credit for the cost of investments in depreciable property used for storing biodiesel made from Montana products with petroleum diesel for sale.

Forms: Form 2, W2 (1), 1099-INT (1), 1099-G (1)

Taxpayer: Rex Wilder
 SSN: 400-00-6801
 DOB: 08/19/1993

Address: PO Box 238
 McAllister, MT 59740

Filing Status: Single, full-year resident

Standard deduction

Check-off contributions – Child Abuse Prevention \$20, Agriculture Literacy in Montana Schools (fill in amount), MT Military Family Relief Fund \$20

Direct Deposit:
 RTN , Acct #
 Checking Account
 IAT indicator = NO

Daytime phone number

Yes - 3rd party designee, name & phone number

Form 2	MT Subtractions
1	7
2b	9
6	35
7	37
9	Tax Liability Sch.
10	2
11	6
12	Nonrefundable Credit Sch.
13	14
14	27
15	Contributions, Penalties and Interest
17	1b
20	1c
21	1d
22	1
23	6
Add. Inc. Schedule	
19	
22	

Test 2: Form 2

Fred and Mary Jenson file a joint resident Montana return. Fred is 65. Fred has wages, pension from the Railroad Retirement Board and he received Tier I benefits, as well as an IRA distribution of \$3,200. Both received social security. Mary receives wages of \$3,000 she earned on her enrolled reservation. Fred and Mary have joint interest income of \$50 federal bond interest, \$250 from Arizona muni bonds, \$150 from Montana muni bonds, and \$100 other taxable interest. They also have dividends from stocks and capital gains. They have a subtraction for student loan interest and received an innovation educational program credit. Also contributed \$750 to each to their medical savings account. This is not a new account, and had a beginning balance of \$1,500 as well as earnings. They have a college contribution credit and an ENRG C Credit. Fred made estimated payments and had an overpayment carry forward from the previous year. He qualifies for the 2EC Elderly Homeowner/Renter Credit.

Forms: Form 2; W2 (2); 1099-R; RRB 1099; RRB 1099-R; 1099-INT; 1099-DIV; 1099-B; Schedule D, College Contribution Credit form CC; ENRG C; 2EC,

Attachments: form ETM

Taxpayer: Fred Jenson
 SSN: 400-00-6802
 DOB: 06/15/1952

Spouse: Mary Jenson
 SSN: 400-00-6872
 DOB: 09/20/1956

Address: 1736 Jocko Valley Road
 Arlee, MT 59821

Filing Status: Joint, full year resident

Standard deduction
 Wage and pension withholding tax – Fred only

Check-off contributions – Nongame Wildlife Program \$10, Child Abuse Prevention Program (fill in amount), MT Military Family Relief Fund \$20.

Direct deposit:
 RTN, Acct#
 Savings Account
 IAT=NO

No – 3rd party designee. No name & phone number

Form 2	23	4	Form 2EC
1	Add Inc. Schedule	5	1
2a	13	Tax Liability Sch.	2
2b	22	2	3
3b	33	6	6
4a	36	Nonrefundable Credits Sch.	9
4b	MT Additions Sch.	1	10
5a	3	4	11
5b	15	6	12
6	17	11	13
7	MT Subtractions Sch.	27	14
8	2	Other Payments Refundable Credits Sch.	17
9	3	1	18
10	8	2	19
11	15	6	20
12	33	8	21
13	34	Contributions, Penalties Interest Sch.	
14	35	1a	
15	36	1b	
17	37	1d	
18	MT MSA Sch.	1	
20	1	6	
21	2		
22	3		

Test 3: Form 2

Sam and Sally Cadwell filed a part year resident return as married filing separate on the same form (2a). They are both over 65 and Sally is blind. They have no dependents. Sam passed away on 10/15/2017. They moved from Montana to Alabama March 1, 2017. After they moved, they both had received interest which included US and Alabama bond interest. Pensions, IRA distributions and social security benefits were received throughout the year. They both had Montana royalty income and capital gains. They both have a net operating loss that is attributable to Montana. Sally is claiming an apprenticeship credit for one person. When they moved, they each closed a Montana family education savings account and have recapture tax. Sally made estimated payments and she had a refund carry forward from the previous year. Depending on amounts used, some social security fields will be optional.

Forms: Form 2, 1099-R (4); 1099-INT (2); SSA-1099 (2); 1099-Misc (1); Schedule E; Schedule D

Taxpayer: Sam Cadwell
 SSN: 400-00-6803
 DOB: 06/15/1946

Spouse: Sally Cadwell
 SSN: 400-00-6873
 DOB: 09/20/1947

Address: 111 Main Street
 Quinton, AL 35130

Filing Status: Married filing separately on same form 2a, part year resident
 (include Date of Change as well as State Moved From and State Moved To)

Optional: Depending on amounts used, there may be additions or subtractions to taxable social security benefits.

Standard deduction
 Mineral royalty withholding tax

Check-off contributions – Nongame Wildlife Program \$5 for each prime and spouse, Child Abuse Prevention Program \$10 for each prime and spouse, Agriculture Literacy in Montana Schools \$10 for prime and \$5 for spouse, MT Military Family Relief Fund \$5 for prime and (fill in amount) for spouse.

Tax due - Column A underpayment & column B overpayment

Third party designee – No

Form 2	Add. Inc. Schedule	To State
2a P/S	13 P/S	From State
2b P/S	17 P/S	7 P/S
4a P/S	<21 P/S>	9 P/S
4b P/S	22 P/S	10 P/S
5a P/S	MT Additions Sch.	12 P/S
5b P/S	3 P/S	15 P/S
6 P/S	9 P/S	16 P/S
7 P/S	15 P/S	17 P/S
8 P/S	16 P/S	18 P/S
9 P/S	17 P/S	Nonrefundable Credit Sch.
10 P/S	MT Subtractions Sch.	2 P/S
11 P/S	2 P/S	13 S
12 P/S	3 P/S	27 P/S
13 P/S	22 P/S	Other Payments Refundable Credits Sch.
14 P/S	34 P/S	1 S
15 P/S	35 P/S	2 S
16 P	36 P/S	3 S
17 P/S	37 P/S	8 S
18 S	Tax Liability Sch.	Contributions, Penalties Interest Sch.
20 P/S	1 P/S	1a P/S
21 P/S	2 P/S	1b P/S
22 S	5 P/S	1c P/S
23 S	NR/PY Resident Sch.	1d P/S
25 P	Date of Change	1 P/S
Optional		6 P/S

Test 4: Form 2

Donald and Wendy Taylor are residents of South Dakota and are filing a Montana nonresident joint return. They have 3 dependent children. Mr. Taylor is a service member under USC Title 10 orders and stationed at the air force base in Great Falls, Montana. Mrs. Taylor works at an elementary school in Great Falls and has educator expense. Mr. Taylor has a small business in Great Falls and is taking the apprenticeships credit. He has two apprentices where one is a veteran.

Forms: Form 2, W2 (2), Schedule C

Taxpayer: Donald Taylor
 SSN: 400-00-6804
 DOB: 06/15/1982

Spouse: Wendy Taylor
 SSN: 400-00-6874
 DOB: 5/27/1983

Address: 9875 10th Avenue South
 Great Falls, MT 59401

Filing Status: Joint, non- resident

Dependent: Mary Taylor - daughter 400-00-6853
 Angela Taylor - daughter 400-00-6855
 David Taylor - son 400-00-6854

Standard deduction
 Wage withholding tax

Check-off contributions – Nongame Wildlife Program \$20, Child Abuse Prevention \$5, Ag Literacy in MT Schools \$20, MT Military Family Relief Fund \$10.

Refund – check

Third party designee – No

Form 2	MT Subtractions Sch.
1	13
6	35
7	37
9	Tax Liability Sch.
10	2
11	3a
12	NR/PY Resident Sch.
13	6
14	16
15	17
17	18
20	Nonrefundable Credit Sch.
21	13
22	27
23	Contributions, Penalties Interest Sch.
Add. Inc. Schedule	1a
12	1b
22	1c
23	1d
27	1
36	6

Test 5: Form 2

Rachel Smitty is a non-resident that files separately from her husband – married filing separately on separate forms filing status 2b – as a fiscal year filer. They currently live in Lithuania. She has two dependent children. Rachel is self-employed. Rachel contributes to a SEP and has a federal self-employed health insurance deduction. She has other gains from Schedule 4797 and Schedule E partnership income. She is a partner in a Montana partnership which withholds tax on her behalf. She also has a capital loss carryover of \$1,500. The income from the Montana partnership is her only Montana-sourced income. She also received a small amount of money while serving on a jury.

Forms: Form 2, Schedule C, Schedule D, Schedule E, K-1; Form 4797

Taxpayer: Rachel Smitty
 SSN: 400-00-6805
 DOB: 06/15/1980

Spouse:
 SSN: 400-00-6875

Address: Vytauto g. 46
 Lentvaris, LT 25101

Filing Status: Married, filing separately on separate forms 2b, non- resident
 Filing period: July to June

Dependent: Tyler Smitty – son 400-00-6866
 Sydney Smitty – daughter 400-00-6867

Standard deduction

Pass-through withholding

Refund: Applied to estimates

Third party designee – No

Form 2	21
6	22
7	27
10	28
11	29
12	36
13	Tax Liability Sch.
14	2
16	3a
18	NR/PY Resident Sch.
21	7
22	10
24	16
Add. Inc. Schedule	17
12	18
<13>	Other Payments Refundable Credits Sch.
14	3
17	8

Test 6: Form 2

Edward and Doris Harris are full-year residents who file married filing separate on the same form. They have 1 child, whom qualifies for the disabled child exemption. Edward is 62 years old, and qualifies for the elderly homeowner/renter credit. Edward receives an IRA distribution, \$5,000 which is taxable. Doris earned \$10,000 in wages. They have both made a deposit to an ABLE account. They both are taking a refundable credit for unlocking state lands. They are both taking the student scholarship organization credit. Both received interest from a muni bond as well as other shared interest. Both received social security but \$5,000 went directly to Edwards nursing home. Last year they received an Elderly Homeowner/Renter credit. Had a small loss on Edwards business. Edward also had long term care insurance benefits. Edward and Doris both have a refund, Doris wants her refund to be split and applied as an estimate for the next year. They have the following capital gain/loss activity:

	Edward	Doris	Joint
Capital loss carryover from previous year	(\$558)	(\$4,842)	
Current year gains	\$15,598		\$500
Current year loss			(\$6,341)

Forms: Form 2, W2 (1), 1099-INT, 1099-R (1), Schedule D, Elderly Homeowner/Renter Credit 2EC

Taxpayer: Edward Harris Spouse: Doris Harris
 SSN: 400-00-6806 SSN: 400-00-6876
 DOB: 05/27/1955 DOB: 12/2/1966

Filing Status: Married, filing separately on same form 2a, full-year resident

Dependent: Harry Harris - son 400-00-6856

Mailing address: PO Box 5336
 Havre, MT 59501

2EC physical address: 1153 Cleveland Ave
 Havre, MT 59501

Standard deduction

Wage and pension withholding tax

Check-off contributions – Nongame Wildlife Program (fill in amount) for prime and \$20 for spouse, Child Abuse Prevention \$20 for spouse, Agriculture Literacy in Montana Schools \$5 for prime and (fill in amount) for spouse & MT Military Family Relief Fund for \$5 for spouse.

Refund: Check

Daytime Phone Number

Third party designee – Yes - With name and phone

Form 2	15 P/S	Tax Liability Sch.	Form 2EC	16
1 S	17 P/S	2 P/S	Physical Address	17
2a P/S	18 P/S	6 P/S	MT City	18
2b P/S	20 P/S	Nonrefundable Credit Sch.	1	19
4a P	21 P/S	1 P	2	20
4b P	22 P/S	12 P/S	3	21
5a P/S	23 P/S	27 P/S	4	
6 P/S	24 S	Other Payments Refundable Credits Sch.	5	
7 P/S	Add. Inc. Schedule	5 P/S	6	
9 P/S	13 P/S OPT	6	7	
10 P/S	<14 P>	8 P/S	8	
11 P/S	22 P/S OPT	Contributions, Penalties Interest Sch.	9	
12 P/S	MT Subtractions Sch.	1a P/S	10	
13 P/S	18 P/S	1b S	11	
14 P/S	34 P	1c P/S	12	
	35 P/S	1d S	13	
	37 P/S	1 P/S	14	
		6 P/S	15	

Optional

Test 7: Form 2

James Carlson is a single, full-year resident filer who has one dependent. James has wages from jobs in Montana, North Dakota and Indiana. James receives alimony. He also has royalty income in Montana and North Dakota. He had a state refund that was taxable on the federal return as well as a refund of local income tax. Since he took a deduction for local income tax in the prior year, the refund of local income tax is taxable to Montana. He also has a taxable federal refund. James made a nonqualified withdrawal from his medical care savings account. James paid additional federal tax for a 2013 amended return

Forms: Form 2, W2 (3), 1099-Misc (1).

Attachments: Indiana tax return; North Dakota tax return

Taxpayer: James Carlson
 SSN: 400-00-6807
 DOB: 05/27/1979

Address: PO Box 514
 Ronan, MT 59864

Filing Status: Single, full-year resident

Dependent: Carl Carlson - son 400-00-6862

Itemized deduction

Wage and mineral royalty withholding tax

Interest on underpayment of estimated taxes

This return was filed past the return deadline

Tax Due

Direct Debit payment
 RTN, Acct#
 Savings Account
 Debit Date 04/15/2019
 IAT=NO

Third party designee – No

Form 2	15	5
1	17	9
6	MT Subtractions Sch.	12
7	1	19
8	35	Tax Liability Sch.
9	37	2
10	MT MSA Sch.	6
11	1	Nonrefundable Credit Sch.
12	5	3
13	1	27
14	2	Credit for Tax Paid
15	3	1
16	4	2
17	5	3
20	6	4
21	MT Itemized Deductions	5
25	1b	6
Add. Inc. Schedule	1c	7
10	4a	8
11	4d	9
17	4	10
22	5b	Contributions, Penalties Interest Sch.
MT Additions Sch.	5c	3
1	5d	4
6		5
		6

Test 8: Form 2

Sally King is a resident of North Dakota. She files a nonresident Montana return filing status 2c – married filing separate and spouse is not filing. She has no dependents. She has wage income from Montana.

Forms: Form 2, W2 (1)

Taxpayer: Sally King
SSN: 400-00-6808
DOB: 12/2/1982

Spouse: 400-00-6878

Address: PO Box 1232
Williston, ND 58801

Form 2
7
17
21
22
23

Filing Status: Married filing separate and spouse is not filing 2c, non-resident

North Dakota reciprocal box is marked

Wage withholding tax

Refund – Check

Third party designee – No

Test 9: Form 2

Marvin and Betty Olsen are full-year residents who are filing married filing separate on the same form status 2a. Marvin is the primary filer and he is 65. They have four children, one which qualifies for the disabled exemption. They both earn a wage income and have losses on schedules C, D, E and F as well as a loss on Form 4797 which is reported as other gains or losses. Schedule E income includes pass-through income and withholding for Betty. They both received a state refund that is taxable on the federal return. The Olsen's have interest and dividends from joint accounts, which includes Montana muni-bond interest. They both received a lump-sum distribution. Betty received unemployment benefits. Marvin and Betty made contributions to their medical care savings accounts and Family Education Savings Plan. Betty has unreimbursed employee business expenses. They installed a low emission wood combustion device and filed an ENRG B credit form.

Forms: Form 2, W2 (2); 1099-INT; 1099-G, Schedule C; Schedule D; Schedule E; Schedule F; Form 4797; Form 4972; K-1; Form ENRG-B; Form 2106.

Taxpayer: Marvin Olsen 400-00-6809 DOB: 6/26/1953

Spouse: Betty Olsen 400-00-6889 DOB: 5/16/1970

Address: 125 N Roberts
Helena, MT 59601

Filing Status: Married, filing separately on same form 2a, full-year resident

Dependent: Wyatt Olsen - son 400-00-6880
Dakota Olsen - son 400-00-6881
Colorado Olsen - son 400-00-6882
Montana Olsen - son 400-00-6884

Itemized deductions
Wage withholding tax

Direct Deposit
RTN, Acct #
Checking Account
IAT = YES

Third party designee - No

Betty Contributed to Nongame Wildlife Program (fill in amount), Child Abuse Prevention (fill in amount), \$10 to Ag Literacy in MT Schools and \$20 to MT Military Relief Fund

Form 2	Add. Inc. Schedule	5	Other Payments Refundable Credits Sch.
1 P/S	10 P/S	MT Itemized Deductions	3 S
2a P/S	<12 P/S>	1a P/S	8 S
2b P/S	<13 P/S>	1b P/S	Contributions, Penalties Interest Sch.
3b P/S	<14 P/S>	1c P/S	1a S
6 P/S	<17 P/S>	1 P/S	1b S
7 P/S	<18 P/S>	2 S	1c S
9 P/S	19 S	4a P/S	1d S
10 P/S	<22 P/S>	4b P/S	1 S
11 P/S	24 S	4 P/S	6 S
12 P/S	36 S	5c P/S	
13 P/S	MT Subtractions Sch.	5d P	
14 P/S	1 P/S	5 P/S	
15 P/S	3 P	9 P/S	
16 P/S	7 S	16 P/S	
17 P/S	15 P/S	19 P/S	
18 S	17 P/S	Tax Liability Sch.	
20 S	35 P/S	2 P/S	
21 P/S	37 P/S	4 P/S	
22 P	MT MSA Sch.	6 P/S	
23 P	1	Nonrefundable Credit Sch.	
24 P	2	18 P/S	
25 S	3	27 P/S	
	4		

Test 10: Form 2

Thomas and Betty Pullman moved to Montana from Idaho. They are filing a part-year resident return and using filing status 2a married filing separate on the same form. They have no dependents, though Betty has a daughter that qualifies for a federal tax credit, but is taken as a deduction on another return. Thomas continued to earn wages in Idaho for 3 months after they moved to Montana before he got a job in Montana. He files for a credit for tax paid to Idaho on the Montana Credit for an Income Tax Liability Paid to Another State Schedule. Betty quit her teaching job in Idaho when they moved and took a job in Montana. She has educator expenses. Thomas had a net operating loss carryover from Idaho. They have moving expenses. They both pay alimony to former spouses.

Forms: Form 2, W2 (4).

Taxpayer: Thomas Pullman
 SSN: 400-00-6810
 DOB: 5/13/1976

Spouse: Betty Pullman
 SSN: 400-00-6878
 DOB: 5/16/1976

Address: PO Box 230
 Arlee, MT 59821

Filing Status: Married, filing separately on same form 2a; part-year resident (include Date of Change as well as State Moved From and State Moved To)

1040 federal tax credit, but not a dependent exemption – Marie Flamelle – daughter 400-00-6882.

Standard deduction

Wage withholding tax

Refund - Paper check

Third party designee – No

Betty Contributed \$10 to Nongame Wildlife Program, \$5 to Child Abuse Prevention, \$20 to Agriculture Literacy in MT schools and \$10 to MT Military Family Relief.

Form 2	NR/PY Resident Sch.
1 P/S	Date of change
6 P/S	To State
7 P/S	From State
8 P	1 P/S
10 P/S	16 P/S
11 P/S	17 P/S
12 P/S	18 P/S
13 P/S	Nonrefundable Credit Sch.
14 P/S	3 P
15 P	27 P
16 S	Credit for Tax Paid
17 P/S	1 P
20 S	2 P
21 P/S	3 P
22 P/S	4 P
23 P/S	5 P
Add. Inc. Schedule	6 P
<21 P>	7 P
<22 P>	8 P
23 S	9 P
26 P/S	10 P
31 P/S	Contributions, Penalties Interest Sch.
36 P/S	1a S
MT Additions Sch.	1b S
9 P	1c S
17 P	1d S
Tax Liability Sch.	1
2 P/S	6
5 P/S	

Test 11: Form 2

Parker Peterson is a full-year resident and files as head-of-household. He maintains a home for his disabled father, who is also his dependent. Parker is a wage earner and is also a member of the Montana Air National Guard and has received wages under Title 10 and Title 32. He travels 200 miles to perform his duties as a Guard member. He contributes to an IRA and has an HSA.

Forms: Form 2, W2 (2).

Taxpayer: Parker Peterson
 SSN: 400-00-6811
 DOB: 8/31/1973

Address: PO Box 2341
 Helena, MT 59602

Filing Status: Head of Household; full-year resident

Dependent: Paul Peterson - father 400-00-6827

Standard deduction

Wage withholding tax

Refund: Check

Third part designee – No

Form 2
1
6
7
9
10
11
12
13
14
16
17
21
22
23
Add. Inc. Schedule
24
25
32
36
MT Sub- tractions Sch.
13
37
Tax Liabil- ity Sch.
2
6

Test 12: Form 2

The taxpayer has farm losses that have created a net operating loss. He has elected to not carry the farm loss back. There are no other requirements for the returns; the returns may be filed as zero tax/zero refund returns.

Forms: Form 2, Schedule F

Taxpayer: Robert Reynolds
SSN: 400-00-6812
DOB: 3/6/1982

Address: PO Box 1253
Helena, MT 59624

Filing Status: Single; full-year resident

Standard deduction

No refund; No tax due

Third party designee – No

Form 2
<6>
<7>
<10>
11
12
<13>
Add. Inc. Schedule
<18>
<22>
MT NOL
Yes

Test 13: Form 2—Amended

Quimbly Quintana is a full-year resident. Quimbly is a wage earner, has a business that has created an NOL, and is a member of the Montana Air National Guard and has received wages under Title 10 and Title 32. She travels 200 miles to perform his duties as a Guard member. She contributes to an IRA and has an HSA.

This is her 2nd amended return: he received a refund with his original return and had made a payment with her first amended return. Provide three examples of amended reasons. She has a refund on this return.

Forms: Form 2, W2 (2), Form 2106, Form 8889

Taxpayer: Quimbly Quintana
 SSN: 400-00-6813
 DOB: 5/27/1954

Address: PO Box 1381
 East Helena, MT 59602

Filing Status: Single; full-year resident

Standard deduction
 Wage withholding tax

Refund: check

Third party designee – Yes with name and phone number

Form 2	MT Subtractions Sch.
1	13
<6>	35
<7>	37
9	Other Payments Re-fundable Credits Sch.
<10>	7
11	8
12	Contributions, Penalties Interest Sch.
<13>	2
17	6
18	
20	
21	
22	
23	
Add. Inc. Schedule	
<12>	
<22>	
24	
25	
32	
36	
Amended Return Info	
NOL	
Fed Audit	
Amend Fed Return	
Filing Status	
Other	