



***MeF Individual Income Tax
Specifications for Software Developers***

**Tax Year
2018**

**Draft
January 8, 2019
Schema Version 3.0**

Montana Department of
REVENUE

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INTRODUCTION

The material in this publication will provide software developers the necessary information for capturing and formatting Montana individual income tax data required to submit a complete Montana Individual Income Tax return.

This publication does NOT replace the requirements, procedures, etc., issued by the IRS. All IRS requirements must be adhered to in the development of the Montana return.

CONTACT PERSONNEL

David Berg

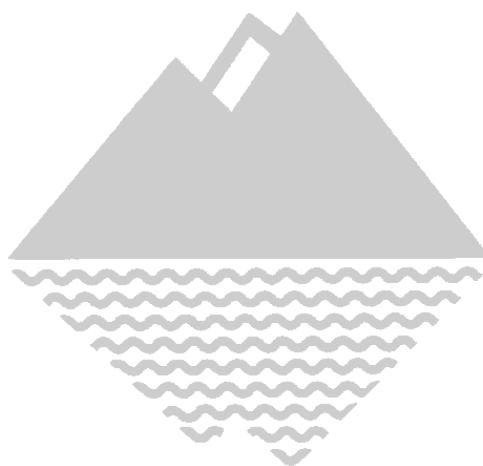
PHONE (406) 444-4070
DORMeF@mt.gov

Rebecca Smith
MeF Testing Coordinator

DORMeF@mt.gov

Montana DOR Call Center

PHONE (406) 444-6900



Montana Department of
REVENUE

WHAT HAS CHANGED FOR TY2018

In a word, EVERYTHING has changed for TY2018. The TY2018 IIT schema has changed in its entirety to match the new Montana Form 2. This schema has been reviewed and approved by the FTA e-Standards group.

Some of the most significant changes are listed below.

Reject codes have been added to the processing of the Montana Form 2. The list of reject codes can be found on SES. This is the first year that Montana has used reject codes so be aware of this fact. If you have any questions or concerns with the addition of reject codes please contact daberg@mt.gov.

For those software companies that support Montana as a Free File Alliance partner we have added the enumeration FreeFile to the Special Programs element in ReturnHeaderState. If a return is submitted as a Free File return include this enumeration.

The Montana Form 2EZ has been eliminated completely and is no longer included in the IIT schema. If your organization supports the Montana Form 2EZ we will be able to accept prior year returns only.

The Montana stand-alone version of the Form 2EC has also been eliminated completely. The Form 2EC can only be filed as part of the Form 2.

MONTANA SIGNATURE REQUIREMENTS

Montana continues to have a paperless electronic filing program. A signature document is not required to file a return electronically. The act of E-Filing is considered the signature. The Department of Revenue does not require any paper documents from Electronic Return Originators (ERO). However, the taxpayer for a minimum of five years must retain a completed tax return and furnish those records upon request from the Montana Department of Revenue.

WHAT FORMS CAN BE FILED ELECTRONICALLY

Montana will allow returns to be filed electronically if they meet the criteria set by the IRS and the State of Montana. The following is a list of forms and schedules available for electronic filing. Please see the table on page 11 of these specifications for a listing of all forms and schedules listed according to the main Montana form type can be filed.

1. FORMS:

- a. MT Form 2
- b. MT Form 2 – Additional Income and Adjustments to Income
- c. MT Form 2 – Net operating Loss Election
- d. MT Form 2 – Amended Return Information
- e. MT Form 2 – Third Party Designee
- f. MT Form 2 – Montana Additions
- g. MT Form 2 – Montana Subtractions
- h. MT Form 2 – Medical Savings Account
- i. MT Form 2 – Taxable Social Security Benefits
- j. MT Form 2 – Itemized Deduction
- k. MT Form 2 – Tax Liability
- l. MT Form 2 – Nonresident/Part-year Resident Ratio
- m. MT Form 2 – Nonrefundable Credits
- n. MT Form 2 – Credit for Income Tax Paid to Other State or Country
- o. MT Form 2 – Other Payments and Refundable Credits
- p. MT Form 2 – Elderly Homeowner/Renter Credit
- q. MT Form 2 – Contributions penalties and Interest
- r. MT Form QEC – Qualified Endowment Credit
- s. MT Form CC – College Contributions
- t. MT Form ENRG-A – Geothermal Energy Systems Credit
- u. MT Form ENRG-B – Alternative Energy System Credit
- v. MT Form ENRG-C – Energy Conservation Installations Credit
- w. MT Form EST-I – Underpayment of Estimated Tax by Individuals and Fiduciaries
- x. MT Form AFCE – Alternative Fuel Credit
- y. MT Form DCAC - Dependent Care Assistance Credit
- z. MT Form 2441M – Child and Dependent Care Expense Deduction
- aa. MT Form ECC – Elderly Care Credit
- bb. MT Form RCYL – Recycling Credit
- cc. State 1099R
- dd. IRS W2
- ee. IRS W2G
- ff. State 1099B
- gg. State 1099G
- hh. State 1099Int
- ii. State 1099K
- jj. State 1099Misc
- kk. State 1099Div

2. RETURN TYPES:

- a. Refund Returns
- b. Tolerance Returns
- c. Full Pay Returns
- d. Partial Pay Returns
- e. Amended returns

3. RESIDENCY STATUS:

- a. Full Resident
- b. Part-Year Resident
- c. Non-Resident

4. **ELECTRONIC BANKING OPTIONS:**

- a. Direct Deposit of refunds
- b. Direct Debit of Tax Due (taxpayer can choose to warehouse the payment)

ACKNOWLEDGMENT OF MONTANA ELECTRONIC RETURN PURPOSE OF MONTANA ACKNOWLEDGMENT

The Montana acknowledgment is designed to inform transmitters that the Montana return data has been received from the IRS. In the event a return contains schema validation errors those errors will be included in the acknowledgment. These errors will need to be corrected before the return can be resubmitted.

DESIGN PLAN FOR MONTANA ACKNOWLEDGMENT SYSTEM

Under normal processing conditions, the State of Montana will transmit the acknowledgment file within ten minutes of receiving the return from the Internal Revenue Service.

ACKNOWLEDGMENT RESOLUTION PROCESS

We intend to acknowledge E-Filed returns throughout the day, every day. If you have not received your Montana acknowledgements please feel free to contact us following the process described below. Email is the preferred method of contact.

When to contact MT DOR regarding non-receipt of a Montana acknowledgment record.

1. Montana Acknowledgment Records were received for some returns, but not all returns filed on the same day.
2. IRS Acknowledgment Records were received more than four (4) working days ago and no Montana Acknowledgment records have been received for the same tax returns.
3. A transmission day is skipped (i.e., received acknowledgment records for a Monday and a Wednesday but none for a Tuesday transmission).

In all instances, ensure you have received an IRS Acknowledgment Record and the federal tax return was accepted and contained a Montana state return prior to contacting the MT DOR.

WHO TO CONTACT

If you do not get a Montana Acknowledgment Record, contact David Berg at (406) 444-4070 or DORMeF@mt.gov. Have the following information available when making the call.

Electronic Transmitter Identification Number (ETIN)
Transmission Date
Date of IRS Acknowledgment Record
Contact Name and Phone Number, Fax number or e-mail address
State Submission ID for the return in question

Based on your information, the Montana Department of Revenue will be able to relay the information to the necessary area for resolution. Immediate resolution may not be possible, depending on the circumstances.

ATS TESTING

Montana requires all software developers and transmitters to test with the MT DOR. Montana will start ATS testing of current year returns when the IRS starts this process. Prior year returns could also be tested if requested by a software vendor.

The Montana Department of Revenue ATS package may include up to **17** test returns. These tests will be criteria based. These scenarios will include a list of what lines are to be tested. The values sent will be left up to the software vendor. We strongly encourage all software vendors to test as many fields as possible. Software developers must send all tests that are supported at least once to successfully pass ATS. Please include all tests returns each time tests are submitted.

In order to facilitate our testing process a PDF copy of each test case will need to be submitted at the same time the returns are submitted to the IRS. We will use this PDF copy to compare the MeF data received to the actual return submitted. Any differences will be identified in the compares document created after the tests have been reviewed. If the ATS test cases need to be corrected, please make the corrections indicated in the compares document and resubmit all the tests cases unless otherwise instructed.

Once ATS test cases have been submitted to the IRS please forward the state submission ID's to DORMeF@mt.gov. Doing so will help us identify who submitted the test cases and allow for tracking of the returns through the testing process. Once returns have been successfully received from the IRS they will be added to the queue for review. In most cases ATS test cases will be reviewed in the order they are received. After the tests have been reviewed a compares document will be sent by email to the software vendor.

A preliminary test packet will be made available to software vendors' mid-September. The IRS will make available Fed/State testing starting the first week in November. At this time the Montana Department of Revenue should be able to accept ATS test returns. If for some reason we are unable to accept test returns when the IRS opens ATS testing, our department will notify all registered vendors with an anticipated start date.

Tax preparers are not required to test with the Montana Department of Revenue.

REJECTS CODES FOR MONTANA RETURNS

Reject codes have been added to the TY2018 schema. A complete list of reject codes can be found on SES. All these reject codes will cause the return to be rejected, there are no alerts included in the list. Once a return is rejected it will need to be corrected and resubmitted. The list of reject codes available on SES is the most current list. Items on that list are subject to change at any time including the addition or deletion of reject codes. If there are any changes to the list notification will be sent to the NACTP list serve and an updated list added to SES. Please have notifications SES notification enabled to insure you are notified of any changes to the reject code list.

SUBMISSION MANIFEST

The following values should be used in the state submission manifest.

Element Name	Form 2
GovernmentCode	MTST
StateSubmissionType	Form2
SubmissionCatagory	IND

RETURN HEADER STATE

The following items from the *ReturnHeaderState* are required for Montana returns.

TaxPeriodBeginDt
type DateType

TaxPeriodEndDt	
type	DateType

FINANCIAL TRANSACTIONS

The Montana Department of Revenue offers both Direct Deposit of refunds as well as Direct Debit payments for taxes due. The limitations to our Direct Debit and Direct Deposit programs are as follows.

Direct Deposit

- Refunds can only be deposited into one (1) bank account. The financial transaction schema has been modified to only allow one bank account for a direct deposit.
- Direct deposit must be for the entire amount of the refund. Montana does not allow for partial direct deposit of refunds.

Direct Debit

- Only one tax due payment is allowed for a single return. The financial transaction schema has been modified to meet this expectation.
- The amount of the direct debit payment must be equal to the tax due. Montana does not allow for partial direct debit of taxes due.
- The RequestedPaymentDate element in the Financial Transaction schema is required to be completed for all Direct Debit payments.

IAT Transactions

- Montana will not process a Direct Deposit of a refund if the IAT choice is IsIATTransaction. Any refund return submitted with the choice shown above will be processed similar to a return requesting a paper check. Issuing a paper check will add additional time to the refund process.
- Any refund return with the IAT choice of NotIATTransaction will be processed as a Direct Deposit.
- Direct Deposit refund returns that are ACH returned for various reasons will be reissued as a paper check. We are not able to correct bank routing and account number information and reissue Direct Deposits.

STATE 1099 and W2 TYPES

Please refer to the table below for what W2 and 1099 Types are associated with our main forms. We are expecting to see these forms in the ReturnDataState of the Montana MeF return.

IRS 1099R	Form 2
IRS W2	Form 2
IRS W2G	Form 2
State 1099B	Form 2
State 1099G	Form 2
State 1099Int	Form 2
State 1099K	Form 2
State 1099Misc	Form 2
State 1099DIV	Form 2

CREDIT FOR TAXES PAID TO ANOTHER STATE OR COUNTRY

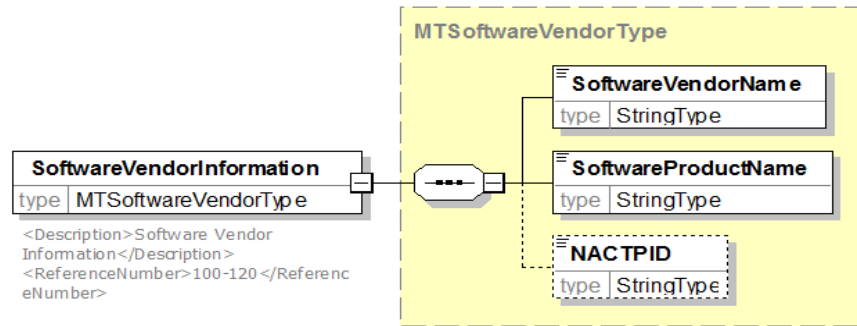
We request that any return filed with a Credit for Income Tax Liability Paid to Another State or Country Schedule have a copy of that other state's return attached as a binary attachment. This is only a request, not a requirement, of the software vendors. We understand that it might not always be possible to attach the other states return as a binary attachment. Please allow returns without this binary attachment to be E-Filed.

This request for the other states return was made in response from concerns raised by tax professionals. If the other states returns are attached then our staff does not have to request that information from the tax professional. This saves both the tax professional and department time and speeds up return and refund processing.

SOFTWARE VENDOR INFORMATION

Montana has added the element called SoftwareVendorInformation (shown below) to our schema. We have added this element to make it easier for department staff to identify which software vendor and/or product was used to create and submit a MeF return. This new element is the first element in the state return. This information is only in the MeF information and is not on the paper form itself. This is a required element where two of the three child elements are also required.

For the required element SoftwareVendorName we would expect to see the name of the software firm. The SoftwareProductName element is required and should be populated with the name of the product being used to complete the return. The NACTPID element is optional, however it is strongly suggested this element be populated with the ID number assigned by the NACTP.



FREEFILE ALLIANCE INDICATOR

For organizations supporting Montana taxpayers by offering a Free File Alliance offer we have added an indicator to the schema. This indicator is in the ReturnHeaderState and utilizes the Special Program element. An enumeration was added to this element. The enumeration, which is FreeFile, must be included for all returns that are submitted to the Montana Department of Revenue created as part of a Free File offer.

TABLE OF MONTANA FORMS AND SCHEDULES

Form 2

The table to the right indicates what forms and schedules are supported.

The order the forms and schedules shown in this table are the same order in which they will appear in the Montana Individual Income Tax return schema.

For the most complete and accurate return possible, support of all the items in the table at the left is strongly encouraged and recommended.

Main Form
Additional Income and Adjustments
NOL Election
Amended Return Information
Third Party Designee
Montana Additions
Montana Subtractions
Montana MSA
Taxable SS Benefits
Itemized Deductions
Tax Liability
Nonresident/Part-Year Resident Ratio
Nonrefundable Credits
Credit for Income Tax Paid to other States or Country
Other Payments and Refundable Credits
Elderly Homeowner/Renter Credit
Contributions Penalties and Interest
Form QEC
Form CC
Form ENRG-A
Form ENRG-B
Form ENRG-C
Form EST-I
Form AFCR
Form DCAC
Form 2441-M
Form ECC
Form RCYL
IRS 1099R
IRS W2
IRS W2G
State 1099B
State 1099G
State 1099Int
State 1099K
State 1099Misc
State 1099DIV

DEPENDENT RELATIONSHIP CODES

Please use the following codes when completing the Montana Form 2 dependent information.

AUN	Aunt (blood)	NEP	Nephew (blood)
BRL	Brother-in-law	NIC	Niece (blood)
BRO	Brother	NON	No relationship
CHI	Child	PAR	Parent
DAL	Daughter-in-law	SIL	Sister-in-law
DAU	Daughter	SIS	Sister
FAL	Father-in-law	SOL	Son-in-law
FAT	Father	SON	Son
FOS	Foster child	STB	Stepbrother
GRC	Grandchild	STC	Stepchild
GRP	Grandparent	STF	Stepfather
OTH	Not previously listed	STM	Stepmother
MOL	Mother-in-law	STS	Stepsister
MOT	Mother	UNC	Uncle (blood)

PRIOR YEAR and AMENDED RETURN FILING

Montana does allow for and accept both prior year returns as well as amended returns. For prior year returns, the software used to submit the return has to have been tested and approved by our department. Amended returns are also accepted during the filing season. The AmendedReturnIndicator in the ReturnHeaderState must be checked for the return to process correctly. If you would like to test this functionality during ATS please contact our department at DORMeF@mt.gov to coordinate this testing.

SOFTWARE VENDOR EXPECTATIONS

The Montana Department of Revenue is pleased to work with any software companies interested in developing E-Filing of Montana returns. Our department has expectations for the developers supporting the various Montana MeF returns. These expectations are listed below.

- Complete the vendor registration form for all the tax types that will be supported.
- Comply with all the federal and state requirements per the specification documents.
- Provide complete and accurate tax returns for the taxpayers of Montana.
- Participate and successfully complete ATS testing with the Department of Revenue.
- Submit well-formed XML information to the department during both ATS testing and production.
- Provide and perform schema validation on all returns submitted to the department during both ATS testing and production.
- Be responsive to department requests for correction of software issues during both ATS testing and production.
- Provide timely software updates to the preparer community.
- Only submit production returns after your software has successfully completed ATS testing and approval has been received from the Montana Department of Revenue.
- Comply with all the business rules listed below
- Notify the Montana Department of Revenue if any issues arise that might delay the submission and processing of returns.

MONTANA INDIVIDUAL INCOME TAX TABLE

TAX YEAR:	2018
Standard Deduction Percentage:	20%
Standard Deduction Maximum	
Single:	\$4,580
Married filing separately:	\$4,580
Married filing jointly:	\$9,160
Head of Household:	\$9,160
Standard Deduction Minimum	
Single:	\$2,030
Married filing separately:	\$2,030
Married filing jointly:	\$4,060
Head of Household:	\$4,060
Personal Exemption	\$2,440
Capital Gains Tax Credit:	2%
Partial Pension and Annuity Income Exemption	
Maximum Exemption:	\$4,180
Federal AGI threshold for phase-out:	\$34,820

2018 Tax Brackets and Table				
If your taxable income is		Multiply Your Taxable Income By		And Subtract
More Than	Not More Than			
0	3,000	1% (0.010)	of taxable income	0
3,000	5,200	2% (0.020)	of taxable income	30
5,200	8,000	3% (0.030)	of taxable income	82
8,000	10,800	4% (0.040)	of taxable income	162
10,800	13,900	5% (0.050)	of taxable income	270
13,900	17,900	6% (0.060)	of taxable income	409
17,900		6.9% (0.069)	of taxable income	570

Example: Taxable income \$6,800 x 3% (0.03) = \$204, \$204 - \$82 = \$122 Tax

TAX SERVICES PROVIDER EXPECTATIONS

The Montana Department of Revenue (Department) is pleased to work with any software company interested in providing authorized e-filing of Montana tax returns. A company providing e-filing services is a “tax services provider” defined as one or more of the following:

Electronic Return Originator: An Electronic Return Originator facilitates the electronic submission of a tax return through IRS or Montana e-file after the taxpayer authorizes the electronic filing of the return.

Online Filing Provider: An Online Filing Provider allows taxpayers to self-prepare returns by entering return data directly into commercially available software downloaded from an Internet site and prepared off-line, or through an online Internet site, or loaded from physical media onto a desktop computer or mobile device.

Software Developer: An authorized IRS or state e-file provider that develops software for the purposes of (a) formatting the electronic portions of returns according to IRS Publication 4164 or Montana specifications and/or (b) transmitting the electronic portion of returns directly to the IRS or Montana.

Transmitter: An authorized IRS or Montana e-file provider that transmits the electronic portion of a return directly to the IRS or Montana. An entity that provides a “bump up” service is also a Transmitter. A bump up service provider increases the transmission rate or line speed of formatted or reformatted information that it is sending to the IRS or Montana via a public switched telephone network.

A tax services provider may serve its customers in more than one of these roles.

The Department has expectations for tax services providers supporting the various Montana MeF returns. These expectations are listed below.

- 1) Adhere to all federal and Montana procedures, requirements, and specifications. These requirements are specified in IRS Publication 4164, Modernized e-File Guide for Software Developers and Transmitters.
- 2) Ensure confidential taxpayer information is secure.
- 3) Complete the vendor registration form for all the tax types that will be supported.
- 4) Provide complete and accurate tax returns for the taxpayers of Montana that are developed in accordance with statutory requirements and Department return preparation instructions.
- 5) Participate and successfully complete ATS testing with the Department before releasing your software.
- 6) Submit well-formed XML information to the Department during both ATS testing and production.
- 7) Provide and perform schema validation on all returns submitted to the Department during both ATS testing and production.
- 8) Be responsive to Department requests for correction of software issues during both ATS testing and production.
- 9) Provide timely software updates to the preparer community.
- 10) Only submit production returns after your software has successfully completed ATS testing and approval has been received from the Department.

- 11) Comply with all the business rules listed on the Vendor MeF Specifications and Schema webpage provided upon registration.
- 12) Notify the Department if any issues arise that might delay the submission and processing of returns.
- 13) Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate, or invalid return information.
- 14) Be available to correct any software errors which may occur after production begins and work with the Department to follow up on any processing issues that may arise during the filing season.
- 15) Re-release of corrected software should be done in a timely manner and proper notification should be made to all customers.
- 16) Ensure that no changes occur to your software between the time testing is successfully completed and approved to the time it is released.
- 17) Notify the Department E-Services Unit immediately when errors in your software will affect Montana taxpayers. You can reach the E-Services Unit at 1-406-444-4457 or by emailing DORMeF@mt.gov.
- 18) Authorize the Department to use your product information listed on the first page of this document on our approved software vendor page.
- 19) Produce analytic compilations of federal and state (not limited to Montana) tax return and submission information that directly relates to the internal management or support the software vendor's business, which shall include aggregated data compilations to identify potential fraudulent behaviors or patterns. The analytic compilation shall employ any tax return information provided by the taxpayer. For these purposes, tax return information means any and all documents or materials provided by the taxpayer or required by the Department that the tax services provider uses in the course of the return preparation and submission.
- 20) Disclose the compilations of tax information to the Department through IRS secure data transmission on at least a weekly basis to the contacts listed below and identify by use of federal and state (not limited to Montana) submission IDs any return the vendor believes is potentially fraudulent. In addition, if a software vendor has a bona fide belief that a particular individual's activity, discovered by data mining a statistical compilation, violated criminal law, the software vendor shall disclose that individual's tax return information to the Department.

Sara Sheehan (Fraud Auditor)
406-444-7928
ssheehan@mt.gov

Micah Christensen (Fraud Unit Manager)
406-444-4373
michristensen@mt.gov

FAILURE TO MEET THESE REQUIREMENTS MAY RESULT IN YOUR ORGANIZATION BEING REMOVED AS AN APPROVED SOFTWARE VENDOR AND ALL ELECTRONIC OR PAPER RETURNS SUBMITTED USING YOUR PRODUCTS MAY BE REJECTED BY THE DEPARTMENT.

MONTANA FORM 2 with MeF REFERENCE NUMBERS

Form 2

Page 1 For the year Jan 1 – Dec 31, 2018 or the tax year beginning M M D D 2 0 1 8 and ending M M D D 2 0 Y Y

Header section with fields for Filing Status, Residency Status, and dependent information.

Section for Filing Status (100-130) and Dependents (300-340).

Section for Exemptions (400-460) with Column A and Column B for filing status 2a.

Section for Federal Adjusted Gross Income (1-7) with Column A and Column B.

Section for Montana Taxable Income (8-13) with Column A and Column B.

Section for Tax Credits and Payments (14-21) with Column A and Column B.

Section for Overpayments (22-25) with Column A and Column B.

Signature and Date section for taxpayer and preparer.

Office Use Only Date Received



Schedule 1 (federal Form 1040)
Additional Income and Adjustments to Income

Enter your additional income and adjustments to income from federal Schedule 1		A		B	
Additional Income	1-9b Reserved	1-9b			
	10 Taxable refunds, credits, or offsets of state and local income taxes	10	100	00	110 00
	11 Alimony received	11	120	00	130 00
	12 Business income or (loss). Include federal Schedule C or C-EZ	12	140	00	150 00
	13 Capital gain or (loss). Include federal Schedule D if required	13	160	00	170 00
	14 Other gains or (losses). Include federal Form 4797	14	180	00	190 00
	15 Reserved	15	200		210
	16 Reserved	16	220		230
	17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Include federal Schedule E	17	240	00	250 00
	18 Farm income or (loss). Include federal Schedule F	18	260	00	270 00
Adjustments to Income	19 Unemployment compensation	19	280	00	290 00
	20 Reserved	20	300		310
	21 Other income; list type <input type="text" value="315"/>	21	320	00	330 00
	22 Combine lines 1 through 21. Add this amount to total income on Form 2, Line 6	22	340	00	350 00
	23 Educator expenses	23	360	00	370 00
	24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Include federal Form 2106	24	380	00	390 00
	25 Health savings account deduction. Include federal Form 8889	25	400	00	410 00
	26 Moving expenses for members of the Armed Forces. Include federal Form 3903	26	420	00	430 00
	27 Deductible part of self-employment tax. Include federal Schedule SE	27	440	00	450 00
	28 Self-employed SEP, SIMPLE, and qualified plans	28	460	00	470 00
	29 Self-employed health insurance deduction	29	480	00	490 00
	30 Penalty on early withdrawal of savings	30	500	00	510 00
	31 Alimony paid. Recipient's SSN <input type="text" value="515"/>	31	520	00	530 00
	32 IRA deduction	32	540	00	550 00
	33 Student loan interest deduction	33	560	00	570 00
	34 Reserved	34	580		590
35 Reserved	35	600		610	
36 Combine lines 23 through 35. Subtract this amount from total income on Form 2, Line 7	36	620	00	630 00	

Net Operating Loss Election for Farming Losses

If you do not want to carry your 2018 farming loss back, mark the box 100
 You must make this election by the due date (including extension) for filing your income tax return.

Amended Return Information

In the table below, indicate the reasons for the changes you made to your Montana tax return.

Mark the appropriate box	Form or Schedule	Line or Box	Reason
<input checked="" type="checkbox"/> 100 a NOL carryback	150	160	170
<input type="checkbox"/> 110 b Federal audit			
<input type="checkbox"/> 120 c Amended federal return			
<input type="checkbox"/> 130 d Filing status			
<input type="checkbox"/> 140 e Other			

Third Party Designee

Do you want to allow another person (other than a paid preparer) to discuss this return with us?

110 Yes (Complete name and phone number below) 120 No

Name Phone number



18CE0201

Montana Additions Schedule

Enter your additions to federal adjusted gross income on the corresponding lines.		A		B		
General Additions	1 Recovery of federal income tax deducted in 2017. (See below)	1	100	00	110	00
	2 Other recoveries of amounts deducted in earlier years that reduced Montana taxable income	2	120	00	130	00
	3 Interest and mutual fund dividends from state, county, or municipal bonds from other states	3	140	00	150	00
	4 Dividends not included in federal adjusted gross income	4	160	00	170	00
	5 Adjustment for smaller federal estate and trust taxable distributions	5	180	00	190	00
Savings Accounts	6 Medical care savings account nonqualified withdrawals. (See page 4)	6	200	00	210	00
	7 First-time home buyer savings account nonqualified withdrawals	7	220	00	230	00
Business Additions	8 Allocation of compensation to spouse in sole proprietorship	8	240	00	250	00
	9 Federal net operating loss deduction	9	260	00	270	00
	10 Dependent care assistance credit adjustment	10	280	00	290	00
	11 Farm and ranch risk management account taxable distributions	11	300	00	310	00
	12 Share of federal income taxes paid by your S corporation	12	320	00	330	00
	13 Title plant depreciation and amortization	13	340	00	350	00
	14 Other additions. Specify: 375	14	360	00	370	00
Retirement	15 Subtotal to figure taxable social security benefits. Combine lines 1 through 14	15	380	00	390	00
	16 Addition to taxable social security benefits. (See page 5)	16	400	00	410	00
Total	17 Add lines 15 and 16, and enter the total on Form 2, line 8. This is your total additions to federal adjusted gross income	17	420	00	430	00

Recovery of Federal Income Tax Deducted in 2017

Worksheet

If you chose the standard deduction in 2017, your refund is not taxable. Do not complete this worksheet.		A		B		
Was the federal refund from taxes paid?	1 Enter your total federal taxes paid in 2017 as reported on Form 2, Schedule III, lines 7a through 7d	1		00		00
	2 Enter the federal income tax refund you received in 2018	2		00		00
	3 Enter any refundable credits claimed on your 2017 federal Form 1040, 1040A, or 1040EZ	3		00		00
	4 Subtract line 3 from line 2. This is the portion of your federal refund that is a result of taxes you paid	4		00		00
If the result is zero or less, stop here. Your federal refund is not taxable						
How much of it did you deduct?	5 Enter the federal income taxes you deducted for 2017 as reported on Form 2, Schedule III, line 7e	5		00		00
	6 Subtract line 4 from line 1 and enter the result here, but not less than zero	6		00		00
	7 Subtract line 6 from line 5. This is the amount of taxes you deducted that were refunded to you	7		00		00
If the result is zero or less, stop here. Your federal refund is not taxable						
Would the standard deduction have given a better result?	8 Enter the itemized deductions you claimed on your 2017 Form 2, Schedule III, line 30	8		00		00
	9 Enter your Montana adjusted gross income from 2017 Form 2, line 41	9		00		00
	10 Calculate the 2017 standard deduction: • If your filing status was single or married filing separately, enter 20% (0.20) of line 9, but not less than \$2,000 or more than \$4,510 • If your filing status was married filing jointly or head of household, enter 20% (0.20) of line 9, but not less than \$4,000 or more than \$9,020	10		00		00
	11 Subtract line 10 from line 8	11		00		00
If the result is zero or less, stop here. Your federal refund is not taxable						
How much of your 2017 federal refund is taxable to Montana?	12 Enter the smaller of line 7 or line 11 here. This is the portion of your federal tax deduction that reduced your taxable income and was refunded in 2017	12		00		00
	13 Enter here your 2017 Montana taxable income from Form 2, line 45. If your amount is less than zero, enter this amount as a negative amount	13		00		00
	14 If line 13 is zero or more, enter the amount from line 12 here and on Additions Schedule, line 1. This is your taxable federal income tax refund. If line 13 is less than zero (a negative amount), add lines 12 and 13. • If your result remains less than zero (a negative amount), enter 0 and stop here. None of your federal refund is taxable to Montana • If your result is greater than zero (a positive amount), enter on Additions Schedule, line 1. This is your recovery of federal income tax deducted in 2017	14		00		00



18CE0301

Montana Subtractions Schedule

Enter your subtractions from federal adjusted gross income on the corresponding lines.		A		B		
General Subtractions	1 State income tax refunds included on federal Schedule 1, line 10. (See page 2)	1	100	00	110	00
	2 Interest and mutual fund dividends from federal bonds, notes and obligations	2	120	00	130	00
	3 Partial interest exemption for taxpayers 65 and older	3	140	00	150	00
	4 Adjustment for larger federal estate and trust taxable distribution	4	160	00	170	00
	5 Exemption for certain income of child taxed to parent	5	180	00	190	00
	6 Recoveries of amounts deducted in earlier years that did not reduce Montana income tax	6	200	00	210	00
Employment	7 Unemployment compensation	7	220	00	230	00
	8 Tribal income when exempt. Include Form ETM	8	240	00	250	00
	9 Certain taxed tips and gratuities	9	260	00	270	00
	10 Workers' compensation benefits	10	280	00	290	00
	11 Certain health insurance premiums taxed to employee	11	300	00	310	00
	12 Student loan repayments for health care professional included in gross income	12	320	00	330	00
Military	13 Military salary of active duty service persons	13	340	00	350	00
	14 Life insurance premiums reimbursement or death benefits for National Guard and Reservist	14	360	00	370	00
Savings Accounts	15 Montana medical savings account deposits and earnings. (See below)	15	380	00	390	00
	16 First-time home buyer savings account deposits and earnings. Include Form FTB	16	400	00	410	00
	17 Family education savings account deposits (up to \$3,000 per taxpayer)	17	420	00	430	00
	18 Montana Achieving a Better Life Experience Act (ABLE) account deposits (up to \$3,000 per taxpayer)	18	440	00	450	00
Status	19 Carryover of capital losses incurred prior to 2007	19	460	00	470	00
	20 Carryover of passive losses incurred prior to 2007	20	480	00	490	00
Business Subtractions	21 Allocation of compensation to spouse in sole proprietorship	21	500	00	510	00
	22 Montana net operating loss carryover from Montana Form NOL	22	520	00	530	00
	23 Business-related expenses for purchasing recycled material. Include Form RCYL	23	540	00	550	00
	24 Wage expenses not deducted when taking the federal targeted jobs credit	24	560	00	570	00
	25 Certain expenses incurred by medical marijuana providers	25	580	00	590	00
	26 Sales of land to beginning farmers	26	600	00	610	00
	27 Capital gains and dividends from small business investment companies	27	620	00	630	00
	28 Certain gains recognized by liquidating corporation	28	640	00	650	00
	29 Farm and ranch risk management account deposits. Include Form FRM	29	660	00	670	00
	30 Donation of mineral exploration information	30	680	00	690	00
	31 Gain on eligible sale of mobile home park. Include Form MHPE	31	700	00	710	00
Retirement	32 Partial retirement disability income exemption for taxpayers under age 65	32	720	00	730	00
	33 Federal taxable Tier II Railroad Retirement benefits entered on Form 2, line 4b	33	740	00	750	00
	34 Partial pension and annuity income exemption. (See page 5)	34	760	00	770	00
	35 Subtotal to figure taxable social security. Combine lines 1 through 34	35	780	00	790	00
	36 Subtraction from federal taxable social security benefits (see page 5) and Tier I Railroad Retirement	36	800	00	810	00
	Total	37 Add lines 35 and 36, and enter the total on Form 2, line 9. This is your total subtractions from federal adjusted gross income	37	820	00	830

Montana Medical Savings Account (MSA) Schedule

If you have an MSA, you must report your beginning and ending balance each year.		A		B		
Subtraction	1 Beginning balance. If this is a new account, enter 0	1	100	00	110	00
	2 Total contributions for the year	2	120	00	130	00
	3 Earnings from the account: interest, dividends, capital gains, etc.	3	140	00	150	00
	4 Add lines 2 and 3. Enter the total on Subtractions Schedule, line 15. (See above)	4	160	00	170	00
	5 Ending balance	5	180	00	190	00
Nonqualified Withdrawal and Penalty	1 Total withdrawals made during the year	1	200	00	210	00
	2 Withdrawals for eligible expenses. (See instructions)	2	220	00	230	00
	3 Nonqualified withdrawal. Subtract line 2 from line 1, and enter the total on Additions Schedule, line 6	3	240	00	250	00
	4 Nonqualified withdrawal not subject to the 10% penalty. (See instructions)	4	260	00	270	00
	5 Nonqualified withdrawal subject to penalty. Subtract line 4 from line 3	5	280	00	290	00
	6 Penalty. Multiply line 5 by 10% and enter the total on Contributions, Pen. and Int. Schedule, line 5. (See page 10)	6	300	00	310	00



18CE0401

Partial Pension and Annuity Income Exemption

Worksheet

If your federal adjusted gross income on Form 2, line 7 is \$36,910 (\$39,000 if filing jointly) or more, stop here.
You do not qualify for the exemption.

		A		B		
Fed AGI Limitation	1 Enter your federal adjusted gross income from Form 2, line 7.	1	00	00	00	
	2 Federal adjusted gross income limitation amount If line 1 is less than line 2, stop here. Enter the smaller of your pension and annuity income or \$4,180 on Subtractions Schedule, line 34. (See page 4)	2	34820	00	34820	00
Exemption Calculation	3 Subtract line 2 from line 1	3	00	00	00	
	4a If you are single, head of household, or married filing separately, enter the smaller of each spouse's pension and annuity or \$4,180	4a	00	00	00	
	4b If you are married filing jointly, enter the smaller of each spouse's pension and annuity or \$4,180 in the spaces below: Spouse 1 <input type="text"/> 00 Spouse 2 <input type="text"/> 00 Add the amounts for Spouse 1 and Spouse 2	4b	00			
	5 Multiply the amount on line 3 by 2	5	00		00	00
	6 Pension and annuity exemption. Subtract line 5 from line 4a or 4b, whichever applies, and enter the total on Subtractions Schedule, line 34. (See page 4.) If the result is less than zero, enter 0. This is your partial pension and annuity exemption	6	00		00	00

Taxable Social Security Benefits

Worksheet

The taxable amount of your social security benefits for Montana may be different than for federal purposes.
Complete this worksheet to figure how much you must enter on either the Additions or Subtractions Schedule.

		A		B		
Modified Income	1 Total amount from box 5 of all your federal Form SSA-1099s	1	100	00	110	00
	2 Multiply line 1 by 50% (0.50)	2	120	00	130	00
	3 Combine Form 2, lines 1 through 4b and federal Schedule 1, line 22. (See page 2)	3	140	00	150	00
	4 Subtract Additions Schedule, line 3 from Additions Schedule, line 15. (See page 3)	4	160	00	170	00
	5 Enter the amount, if any, from Form 2, line 2a	5	180	00	190	00
	6 Combine lines 2, 3, 4, and 5	6	200	00	210	00
	7 Enter federal Schedule 1, line 36. (See page 2.) (Do not include student loan interest deduction)	7	220	00	230	00
	8 Add the amount on Subtractions Schedule, line 35 (see page 4) to line 7 If the amount on line 8 is greater than on line 6, none of your social security benefits are taxable. Stop here and enter 0 on line 20 and go to line 21	8	240	00	250	00
	9 Subtract line 8 from line 6	9	260	00	270	00
Taxable Social Security Benefits	10 Enter the amount that corresponds to your filing status. If your filing status is: • Married filing jointly, enter \$32,000 in column A; • Single or head of household, enter \$25,000 in column A; • Married filing separately, enter \$16,000 in columns A and B If the amount on line 10 is greater than on line 9, none of your social security benefits are taxable. Stop here and enter 0 on line 20 and go to line 21	10	280	00	290	00
	11 Subtract line 10 from line 9	11	300	00	310	00
	12 Enter the amount that corresponds to your filing status. If your filing status is: • Married filing jointly, enter \$12,000 in column A; • Single or head of household, enter \$9,000 in column A; • Married filing separately, enter \$6,000 in columns A and B	12	320	00	330	00
	13 Subtract line 12 from line 11. If less than zero, enter 0	13	340	00	350	00
	14 Enter the smaller of line 11 or line 12	14	360	00	370	00
	15 Multiply line 14 by 50% (0.50)	15	380	00	390	00
	16 Enter here the smaller of line 2 or line 15	16	400	00	410	00
	17 Multiply line 13 by 85% (0.85). If line 13 is zero, enter 0	17	420	00	430	00
	18 Add lines 16 and 17	18	440	00	450	00
	19 Multiply line 1 by 85% (0.85)	19	460	00	470	00
Adjustments	20 Enter the smaller of line 18 or 19. This is your Montana taxable social security benefits	20	480	00	490	00
	21 Enter the federal taxable amount of social security benefits that you entered on Form 2, line 5b	21	500	00	510	00
	22 If line 21 equals line 20, the amount of the federal taxable social security benefits that you entered on Form 2, line 5b is the same amount that is taxed by Montana. No additions or subtractions are necessary	22				
	23 If line 21 is less than line 20, subtract line 21 from line 20. Enter the result on Additions Schedule, line 16 (See page 3). This is the additional amount of your social security benefits that is taxed by Montana	23	520	00	530	00
	24 If line 21 is greater than line 20, subtract line 20 from line 21. Enter the result on Subtractions Schedule, line 36 (See page 4). This is the reduction in taxable amount of your social security benefits for Montana	24	540	00	550	00



18CE0501

Standard Deduction

Worksheet

When filing separately on the same form, each spouse must figure their own deduction.

		A		B	
Maximum	1 Enter your Montana adjusted gross income from Form 2, line 10	1	00		00
	2 Multiply the amount on line 1 by 20% (0.20)	2	00		00
	3 If you are single or married filing separately, enter \$4,580. If you are married filing jointly or head of household, enter \$9,160	3	00		00
	4 Enter the amount from line 2 or line 3, whichever is smaller	4	00		00
Minimum	5 If you are single or married filing separately, enter \$2,030. If you are married filing jointly or head of household, enter \$4,060	5	00		00
Total	6 Enter the amount from line 4 or line 5, whichever is larger, here and on Form 2, line 11. This is your standard deduction	6	00		00

Itemized Deductions Schedule

If you choose to itemize your deductions, mark the box on Form 2, line 11.

		A		B		
Medical and Dental Expenses	1 Medical and dental expenses	1a	100	00	110	00
	Enter the amount from Form 2, line 10	1b	120	00	130	00
	Multiply line 1b by 7.5% (0.075)	1c	140	00	150	00
	Subtract line 1c from line 1a and enter the total here, but not less than zero. This is your deductible medical and dental expenses subject to a percentage of Montana adjusted gross income	1	160	00	170	00
	2 Medical insurance premiums not deducted elsewhere on your return	2	180	00	190	00
	3 Long-term care insurance premiums not deducted elsewhere on your return	3	200	00	210	00
Federal Tax Paid/Withheld in 2018	4 Federal income tax withheld	4a	220	00	230	00
	Federal estimated tax payments	4b	240	00	250	00
	2017 federal income taxes paid	4c	260	00	270	00
	Other back year federal income taxes	4d	280	00	290	00
	Add lines 4a through 4d and enter the total here, but not more than \$5,000 if you are single, head of household, or married filing separately; or \$10,000 if you are married filing jointly. This is your federal income tax deduction	4	300	00	310	00
State and Local Taxes Limited to \$10,000	5 General state and local sales taxes	5a	320	00	330	00
	Local income taxes	5b	340	00	350	00
	Real estate taxes paid	5c	360	00	370	00
	Value-based personal property taxes	5d	380	00	390	00
	Add lines 5a to 5d, enter the total here, but not more than \$10,000 if your status is single, head of household or married filing jointly; or \$5,000 if you are married filing separately. This is your state and local tax deduction	5	400	00	410	00
Other State Taxes	6 Montana light vehicle registration fees	6	420	00	430	00
	7 Per capita livestock fees	7	440	00	450	00
	8 Other deductible taxes paid. List type and amount: 455	8	460	00	470	00
Interest	9 Home mortgage interest and points. If paid to the person from whom you bought the house, provide their name, social security number and address 475	9	480	00	490	00
	10 Investment interest. Include federal Form 4952	10	500	00	510	00
Gifts to Charity	11 Charitable contributions made by cash or check	11	520	00	530	00
	12 Charitable contributions made by other than cash or check	12	540	00	550	00
	13 Charitable contribution carryover from the previous year	13	560	00	570	00
Miscellaneous Deductions	14 Child and dependent care expenses. Include Montana Form 2441-M	14	580	00	590	00
	15 Casualty and theft losses. Include federal Form 4684	15	600	00	610	00
	16 Political contributions, limited to \$100 per taxpayer	16	620	00	630	00
	17 Gambling losses allowed under federal law	17	640	00	650	00
	18 Other miscellaneous deductions. List type and amount: 655	18	660	00	670	00
	Total	19 Add lines 1 through 18, and enter the total on Form 2, line 11. This is your total itemized deductions	19	680	00	690



18CE0601

Tax Liability Schedule

Full-year residents must skip lines 3a, 3b and 5. Nonresidents calculate their tax on line 3a or compute the tax on their volume of sales on line 3b when eligible.

		A		B		
Tax Liability	1 Recapture taxes. (See instructions) Code 100 Code 110	1	120	00	130	00
	2 Tax from the tax table based on taxable income. (See instructions)	2	140	00	150	00
	3a Nonresident tax. Multiply line 2 by the nonresident ratio below and add line 1. Enter the total on Form 2, line 14	3a	160	00	170	00
	3b Alternative tax method for certain nonresidents. (See instructions)	3b	180	00	190	00
	4 Tax on lump-sum distributions. Include federal Form 4972	4	200	00	210	00
	5 Part-year resident tax. Multiply line 2 by the part-year resident ratio below and add lines 1 and 4, and enter the total on Form 2, line 14	5	220	00	230	00
6 Resident tax. Add lines 1, 2 and 4, and enter the total on Form 2, line 14	6	240	00	250	00	

Resident Part-Year Required Information

Date of Change M M D **100** 0 Y Y
 State moved to **110** State moved from **120**

Nonresident / Part-Year Resident Ratio Schedule

Enter your Montana source income that is included in Montana adjusted gross income on Form 2.

		A		B		
Montana Source Income	1 Wages, salaries, tips, etc.	1	130	00	140	00
	2 Interest	2	150	00	160	00
	3 Ordinary dividends	3	170	00	180	00
	4 Refunds, credits, or offsets of local income taxes	4	190	00	200	00
	5 Alimony received	5	210	00	220	00
	6 Business income or (loss)	6	230	00	240	00
	7 Capital gain or (loss)	7	250	00	260	00
	8 Other gains or (losses)	8	270	00	280	00
	9 IRAs, pensions, and annuities	9	290	00	300	00
	10 Rental real estate, royalties, partnerships, S corporations, trusts, etc. 325 Mark this box if Montana source losses are carried over to next year. (See instructions)	10	310	00	320	00
	11 Farm income or (loss)	11	330	00	340	00
	12 Social security benefits	12	350	00	360	00
	13 Other income. (See instructions)	13	370	00	380	00
	14 Montana source additions to income. (See instructions)	14	390	00	400	00
	15 Montana source net operating loss. (See instructions)	15	410	00	420	00
	16 Montana source income. Add lines 1 through 15	16	430	00	440	00
MT AGI 17 Enter your Montana adjusted gross income from Form 2, line 10	17	450	00	460	00	
Ratio 18 Divide the amount on line 16 by the amount on line 17. Round to 6 decimal places and do not enter more than 1.000000. This is your nonresident or part-year resident ratio	18	470		480		

2018 Montana Individual Income Tax Rates

If your taxable income is			
More than	But not more than	Then your tax rate is	Less
\$0	\$3,000	1% of taxable income	\$0
\$3,000	\$5,200	2% of taxable income	\$30
\$5,200	\$8,000	3% of taxable income	\$82
\$8,000	\$10,800	4% of taxable income	\$162
\$10,800	\$13,900	5% of taxable income	\$270
\$13,900	\$17,900	6% of taxable income	\$409
More than \$17,900		6.9% of taxable income	\$570



18CE0701

Nonrefundable Credits Schedule

Enter your nonrefundable credits, including any carryover credits that may be available from 2017.

		A		B	
Single Year Credits - No Carryover Provision	1 Resident capital gains credit. 2% of capital gain entered on federal Schedule 1, line 13. (See page 2)	100	00	110	00
	2 Nonresident/part-year resident capital gains credit. 2% of capital gains entered on Nonresident/Part-Year Resident Ratio Schedule, line 7. (See page 7)	120	00	130	00
	3 Credit for an income tax liability paid to another state or country. (See below)	140	00	150	00
	4 College contribution credit. Include Form CC	160	00	170	00
	5 Qualified endowment credit. Include Form QEC	180	00	190	00
	6 Energy conservation installation credit. Include Form ENRG-C	200	00	210	00
	7 Alternative fuel credit. Include Form AFCR	220	00	230	00
	8 Health insurance for uninsured Montanans credit. Include Form HI	240	00	250	00
	9 Elderly care credit. Include Form ECC	260	00	270	00
	10 Recycle credit. Include Form RCYL	280	00	290	00
	11 Innovative educational program credit	300	00	310	00
	12 Student scholarship organization credit	320	00	330	00
	13 Apprenticeship credit	340	00	350	00
Nonrefundable Credits with Carryover Provision	14 Biodiesel blending and storage credit. Include Form BBSC	360	00	370	00
	15 Contractor's gross receipts tax credit. If multiple CGR accounts, mark here 380 CGR Account ID: <input type="text"/> 390 <input type="text"/> C <input type="text"/> G <input type="text"/> R <input type="text"/>	400	00	410	00
	16 Geothermal systems credit. Include Form ENRG-A	420	00	430	00
	17 Alternative energy systems credit. Recognized nonfossil form of energy generation	440	00	450	00
	18 Alternative energy systems credit. Low emission wood or biomass combustion device Include Form ENRG-B if you are claiming a credit on lines 17 or 18	460	00	470	00
	19 Alternative energy production credit. Include Form AEPC	480	00	490	00
	20 Dependent care assistance credit. Include Form DCAC	500	00	510	00
	21 Historic property preservation credit. Include federal Form 3468	520	00	530	00
	22 Infrastructure users fee credit. Include Form IUFC	540	00	550	00
	23 Empowerment zone credit	560	00	570	00
	24 Increasing research activities credit. Include a detailed schedule of the credit carryforward	580	00	590	00
	25 Mineral and coal exploration incentive credit. Include Form MINE-CRED	600	00	610	00
	26 Adoption credit. Include federal Form 8839	620	00	630	00
	Total 27 Add lines 1 through 26, and enter the total on Form 2, line 15. This is your total of nonrefundable credits	640	00	650	00

Credit for Income Tax Paid to Another State or Country Schedule

You may have paid income tax on income sourced to another state while a MT resident. Use this schedule to calculate this credit. You cannot claim this credit if a foreign tax credit is claimed for federal tax purposes.

		A		B	
Credit for Taxes Paid to Another State or Country	1 Enter your income sourced and taxable to another state or country that is included in Montana adjusted gross income, or Montana source income if a part-year resident. (See instructions)	100	00	110	00
	2 Enter all income sourced and taxable to the other state or country Indicate state's abbreviation 115	120	00	130	00
	3 Enter your income sourced and taxable to Montana. If a full-year resident, enter Form 2, line 10. If a part-year resident, enter Nonresident/Part-Year Resident Ratio Schedule, line 16. (See page 7)	140	00	150	00
	4 Enter your total income tax liability paid to the other state or country. (See instructions)	160	00	170	00
	5 Enter your Montana tax liability. (See instructions)	180	00	190	00
	6 Divide line 1 by line 2. Enter the percentage here, but not more than 100%	200		210	
	7 Multiply line 4 by line 6	220	00	230	00
	8 Divide line 1 by line 3. Enter the percentage here, but not more than 100%	240		250	
	9 Multiply line 5 by line 8	260	00	270	00
	10 Enter the smaller of the amounts on lines 4, 7, or 9 here and on Nonrefundable Credits Schedule, line 3. (See above.) This is your credit for income tax paid to another state or country	280	00	290	00



18CE0801

Other Payments and Refundable Credits Schedule

Withholding reported on Forms W-2 and 1099 must be entered on Form 2, line 17.

		A		B		
Other Payments and Refundable Credits	1 2018 estimated tax payments	1	100	00	110	00
	2 Overpayment applied from 2017 return	2	120	00	130	00
	3 Total withholding from Montana Schedule(s) K-1	3	140	00	150	00
	4 Emergency lodging credit. Include Form ELC	4	160	00	170	00
	5 Unlocking public land credit	5	180	00	190	00
	6 Elderly homeowner/renter credit. (See below)	6	200	00		
	7 Other payments. (See instructions)	7	220	00	230	00
	8 Add lines 1 through 7, enter the total on Form 2, line 18. This is your other payments and refundable credits	8	240	00	250	00

Elderly Homeowner/Renter Credit Schedule

When you claim this credit, you attest that:

- You are 62 or older as of December 31, 2018;
- Your total household income of all household members is less than \$45,000 for the tax year;
- You have lived in Montana for at least nine months during the tax year; and
- You occupied a Montana residence as a renter, owner or lessee for at least six months during the tax year.

Enter physical address of Montana residence

(if different than mailing address entered on Form 2)

Address	100
City	110

Gross Household Income	1 Federal adjusted gross incomes (Form 2, line 7) reported by the household. (See instructions)	1	120	00
	2 Add line 2a reported on all Forms 2 or federal Forms 1040 filed by the household	2	130	00
	3 Add any amount on lines 4a and 5a not included in 4b and 5b from Forms 2 or federal Forms 1040 filed by the household. (See instructions)	3	140	00
	4 Social security payments not reported by the household, except when paid directly to a nursing home	4	150	00
	5 Support money, cash public assistance and relief, non taxable strike benefits, and alimonies not reported by the household	5	160	00
	6 Refundable credits received, including the elderly homeowner/renter credit	6	170	00
	7 Other income not listed above	7	180	00
	8 Enter all losses included on pages 1, line 7 for all Forms 2 or federal Forms 1040 filed by the household. (See instructions)	8	190	00
	9 Combine lines 1 through 8. This is your gross household income	9	200	00
Net Household Income	10 Your standard exclusion is entered here for you	10	210	6300
	11 Subtract line 10 from line 9 and enter the result here, but not less than zero	11	220	00
	12 Enter your multiplier rate from the Household Income Reduction Table. (See below)	12	230	
13 Multiply line 11 by line 12. This is your net household income	13	240	00	
Credit Computation	14 Enter the property tax that you were billed for your Montana residence and up to one acre in 2018	14	250	00
	15 Enter the rent that you paid in 2018 for your Montana residence	15	260	00
	16 Multiply line 15 by 0.15 (15%)	16	270	00
	17 Add lines 14 and 16	17	280	00
	18 Subtract line 13 from line 17 and enter the result here, but not less than zero	18	290	00
	19 Enter the lesser of line 18 or \$1,000	19	300	00
	20 Enter the percentage from the Credit Multiplier Table that corresponds to your gross household income. (See below)	20	310	
	21 Multiply line 19 by the percentage on line 20, and enter the total on Other Payments and Refundable Credits, line 6. (See above)	21	320	00
	This is your elderly homeowner/renter credit			

Household Income Reduction Table

If your household income on line 11 is:

At least	But not more than	Multiplier
\$0	\$1,999	0
\$2,000	\$2,999	0.006
\$3,000	\$3,999	0.016
\$4,000	\$4,999	0.024
\$5,000	\$5,999	0.028
\$6,000	\$6,999	0.032
\$7,000	\$7,999	0.035
\$8,000	\$8,999	0.039
\$9,000	\$9,999	0.042
\$10,000	\$10,999	0.045
\$11,000	\$11,999	0.048
\$12,000	and greater	0.05

Long-Term Care Facility Rent Calculation

Worksheet

LTC Rent	1 Total payment to the facility	1		00
	2 If you received board services (meals, housekeeping, laundry, transportation), multiply line 1 by 20%	2		00
	3 If you received care (nursing care, assisted living care, memory care), multiply line 1 by 30%	3		00
	4 Subtract lines 2 and 3 from line 1. This is your rent	4		00

Credit Multiplier Table

If line 9 is:	Multiplier
Less than \$35,000	1.00 (100%)
\$35,000 to \$37,500	0.40 (40%)
\$37,501 to \$40,000	0.30 (30%)
\$40,001 to \$42,500	0.20 (20%)
\$42,501 to \$44,999	0.10 (10%)
\$45,000 and greater	0.00 (0%)



18CE0901

Contributions, Penalties, and Interest Schedule

Enter any voluntary contributions to check-off programs, penalties, and interest on the corresponding lines.

		A				B																	
Contributions	Voluntary Contributions																						
	1	Nongame Wildlife Program	a	100	\$5	110	\$10	120	\$20	130	00	other amount	a	260	\$5	270	\$10	280	\$20	290	00	other amount	
		Child Abuse Prevention	b	140	\$5	150	\$10	160	\$20	170	00	other amount	b	300	\$5	310	\$10	320	\$20	330	00	other amount	
		Agriculture Literacy in MT Schools	c	180	\$5	190	\$10	200	\$20	210	00	other amount	c	340	\$5	350	\$10	360	\$20	370	00	other amount	
		MT Military Family Relief Fund	d	220	\$5	230	\$10	240	\$20	250	00	other amount	d	380	\$5	390	\$10	400	\$20	410	00	other amount	
Total voluntary contributions		1		420										430									
Amend	2	If filing an amended return, enter overpayments already refunded or applied to 2019										2	440						450				
Penalties and Interest	3	Interest on underpayment of estimated taxes. (See below)										3	460										
		If applicable, mark the appropriate box 470 2/3 farming gross income 480 Estimated payments were made using the annualization method																					
	4	Late file penalty, late payment penalty and interest. (See instructions)										4	490						500				
	5	Other penalties. (See instructions)										5	510						520				
Total	6	Add lines 1 through 5, and enter the total on Form 2, line 20. This is your contributions, penalties, and interest										6	530						540				

Calculation of Interest on Underpayment of Estimated Taxes - Short Method

Worksheet

If you are filing separately on the same form, combine column A and B for each of the calculations.

\$500 Threshold	1	Total tax due reported on Form 2, line 16	1		00
	2	Montana tax withheld on Forms W-2 and 1099 reported on Form 2, line 17	2		00
	3	Combine the amounts on Other Payments and Refundable Credit Schedule, lines 2 through 6. (See page 9)	3		00
	4	Add lines 2 and 3	4		00
	5	Subtract line 4 from line 1	5		00
If your result is \$500 or less, stop here; you do not owe interest on your underpayment					
Underpayment for 2018	6	Multiply line 1 by 90%	6		00
	7	Income tax liability that you entered on your 2017 Form 2, line 54 or 2017 Form 2EZ, line 15	7		00
	8	Enter the smaller of line 6 or line 7	8		00
	9	Add the amount on line 4 above and Other Payments and Refundable Credits Schedule, line 1. (See page 9)	9		00
	10	Subtract line 9 from line 8. This is your total underpayment for 2018	10		00
If the result is zero or less, stop here; you do not owe interest on your underpayment					
Interest	11	Multiply line 10 by 0.0333	11		00
	12	If you paid the amount on line 10 on or after April 15, 2019, enter 0. If you paid the amount on line 10 before April 15, multiply the amount on line 10 by the number of days you paid before April 15 and then by 0.000137	12		00
	13	Subtract line 12 from line 11, and enter on Contributions, Penalties, and Interest Schedule, line 3. (See above) This is your interest on the underpayment of estimated taxes	13		00



18CE1001