



2018

MeF

**Montana Partnership Information &
Composite Tax ATS Packet**

Version 1.0

November 26, 2018

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Montana MeF ATS Testing Overview

This test packet includes four tests for the Montana PR1 return. The following pages will include the test scenario as well as a list of the form line items we expect to be completed for each test.

The data submitted in those lines will be determined by the developer, except for where specifically noted. The form 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 indicated with parentheses.

Once ATS test cases have been submitted to the IRS, please email the following information to DORMeF@mt.gov:

- Montana Form name (PR1)
- Name of vendor
- Name of software
- State submission ids and ATS test number for the id
- PDF for each submission id
 - Please include your ETIN and test return number in the file name.
 - Example: **12345Test2.pdf**

Please send one email per tax type. Doing so will help us identify who submitted the test cases and allow for tracking of the returns through the testing process.

Along with the information listed above please include a description of your software limitations that would change what we expect to see in each test return, if those limitations were not included in your LOI.

Once the department receives notification and the test cases, a tester will be scheduled to review the returns. It is our intention to review all test returns within five to seven 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 instructed otherwise.

***New – Montana implemented automated business rules this year.** You will need to pass the automated business rules before submitting your returns for testing. Please see the 2018 Montana PR1 CLT-4S Business Rule Reject Codes document is SES for more information. If you have questions regarding return requirements or the business rules, please contact the Montana DOR e-Services unit at DORE-Services@mt.gov.

Test 1: Form PR-1

Test Partnership 1 LLC is filing an initial calendar-year return on extension but after the extended due date. The company operates only in Montana with 100% of its property, payroll, and sales within Montana (See business rules for “Schedule I Not Required Checkbox”). The company’s total Montana source income exceeds \$50,000,000. The company has both composite tax and pass-through withholding owing and the company has not made any payments.

Required Forms:

Montana:

- Form PR-1
- Schedule IV
- Schedules K-1

Federal:

- Form 1065
- Schedule K
- Form 4562

Required Attachments:

- Detailed statements for PR-1 Lines: 11, 13e, and 16c.

Taxpayer: Test Partnership 1, LLC
330 Montana Ave
Helena, MT 59601

FEIN: 20-1111111 *Date formed:* 01/01/2016
State Formed in: Montana *Federal Business Code/NAICS:* 236220
MT Secretary of State ID: D456789 *Date Registered in Montana:* 01/01/2016

Total Partners Receiving a MT-K1: 3 individuals, 3 estates, 3 trusts, 2 disregarded entities, 3 foreign f corporations, 3 tax exempt, 2 partnerships, 2 publicly traded partnerships, 2 s corporations, 3 domestic 2nd tier pass through entities

Nonresident Partners: 9

Partner Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/ Withholding/ PT-AGR Year
Partner One	300-00-0001	330 Montana Ave Helena, MT 59601	N	I	5%	Composite
Partner Two	300-00-0002	525 Bowman Rd Seattle, WA 98101	N	I	3%	Withholding
Partner Three	300-00-0003	525 Bowman Rd Seattle, WA 98101	N	I	3%	2016
Partner Four	30-0000004	330 Montana Ave	N	E	4%	Composite

		Helena, MT 59601				
Partner Five	30-0000005	525 Bowman Rd Seattle, WA 98101	N	E	4%	Withholding
Partner Six	30-0000006	525 Bowman Rd Seattle, WA 98101	N	E	3%	2016
Partner Seven	30-0000007	330 Montana Ave Helena, MT 59601	N	T	3%	Composite
Partner Eight	30-0000008	525 Bowman Rd Seattle, WA 98101	N	T	5%	Withholding
Partner Nine	30-0000009	525 Bowman Rd Seattle, WA 98101	N	T	3%	2016

Other Partners: 17

Partner Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Partner Ten	30-0000010	330 Montana Ave Helena, MT 59601		D	5%	Composite
Partner Eleven	30-0000011	525 Bowman Rd Seattle, WA 98101		D	3%	Withholding
Partner Twelve	30-0000012	525 Bowman Rd Seattle, WA 98101		F	2%	Composite
Partner Thirteen	30-0000013	330 Montana Ave Helena, MT 59601		F	6%	Withholding
Partner Fourteen	30-0000014	525 Bowman Rd Seattle, WA 98101		F	3%	2016
Partner Fifteen	30-0000015	525 Bowman Rd Seattle, WA 98101		TE	4%	Composite
Partner Sixteen	30-0000016	330 Montana Ave Helena, MT 59601		TE	4%	Withholding
Partner Seventeen	30-0000017	525 Bowman Rd Seattle, WA 98101		TE	3%	2016
Partner Eighteen	30-0000018	330 Montana Ave Helena, MT 59601		P	6%	Composite
Partner Nineteen	30-0000019	525 Bowman Rd Seattle, WA 98101		P	2%	Withholding
Partner Twenty	30-0000020	330 Montana Ave Helena, MT 59601		PTP	4%	Composite
Partner Twenty One	30-0000021	525 Bowman Rd Seattle, WA 98101		PTP	4%	
Partner Twenty Two	30-0000022	330 Montana Ave Helena, MT 59601		S	4%	Composite
Partner Twenty Three	30-0000023	525 Bowman Rd Seattle, WA 98101		S	4%	Withholding
Partner Twenty Four	30-0000024	330 Montana Ave Helena, MT 59601		DOM	1%	2017

Partner Twenty Five	30-0000025	330 Montana Ave Helena, MT 59601		DOM	7%	2017
Partner Twenty Six	30-0000026	330 Montana Ave Helena, MT 59601		DOM	5%	2018

All Forms and attachments are required to be included in the PDF submission.

No – do not discuss with the tax preparer, preparer’s name and phone

Required Line Items

	Test 1
Tax year beginning	X
Tax year ending	X
Taxpayer Information	
Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
Partners	
Schedules K-1 included	X
Nonresident partners	X
Other types of partners	X
Return status	
Initial return check box	X
Entity information	
Date registered in Montana	X
MT Secretary of State ID#	X
State formed in	X
Date formed	X
Federal business code/NAICS	X
Partners' Pro Rata Share of Income Items	
Line 1 - Ordinary business income (loss)	X
Line 5 - Interest Income	X
Line 6 - Ordinary dividends	X
Line 11 - Other income (loss)	X
Line 12 - total federal income or loss	X
Partners' Distributive Share of Deduction Items	
Line 13a - Section 179 deduction	X
Line 13b – Contributions	X
Line 13c- Investment interest expense	X
Line 13e - Other deductions	X
Line 14 - Total federal deductions	X
Line 15 - Federal income from all sources	X

Partners' Distributive Share of Montana Additions and Deductions	
Line 16a - Interest and dividends not taxable under the IRC	X
Line 16b - Taxes based on income or profits	X
Line 16c - Other additions	X
Line 16 - Total Montana additions	X
Line 17a - Interest on US government obligations	X
Line 17 - Total Montana deductions to Income	X
Line 18 - Total distributive share of income	X
Apportioned and Allocated Montana Source Income	
Schedule I Not Required checkbox	X
Line 19 - Income apportioned to Montana	X
Line 21 - Total Montana source income	X
Calculation of Amount Owed or Refund	
Line 22 - Total composite tax from Schedule IV, Column H	X
Line 23 - Sum of Pass-Through Withholding from All Montana Schedules K-1, Part 5, Line 2a	X
Withholding	
Return Payments	
Line 28 - Total amount due	X
Penalties and Interest	
Line 29a - Partnership information return late filing penalty	X
Line 29b - Interest on underpayment of estimated composite tax	X
Line 29c - Composite income tax return late filing penalty	X
Line 29d - Late payment penalty	X
Line 29e - Interest	X
Line 29f - Total penalties and interest	X
Amount Owed or Refund	
Line 30 - Tax due or (overpaid) plus penalties and interest	X
Line 31 - Total amount owed	X
Direct Deposit	
Officer's Information	
Name and title	X
Officer's daytime phone number	X
Preparer Contact	
Preparer's name	X
Phone number	X
Firm's name	X
Firm's address	X
No check box	X
Schedule I - Apportionment Factors For Multistate Partnerships	
1. Property Factor	

2. Payroll Factor		
3. Sales Factor		
Schedule II - Montana Partnership Tax Credits		
Schedule IV - Composite Income Tax Schedule		
Part I Eligible participating partners		X
Part II Composite tax ratio		
Column 1. PR-1 line 15		X
Column 2. PR-1 line 21		X
Column 3. Divide column 2 by column 1		X
Part III Eligible participating partner information		
(Refer to Partner Info) Complete columns A thru G for all partners marked as included in composite tax.		X
Schedule VI - Reporting of Special Transactions		
Montana Schedule K-1 to be filed for all partners based on Partnership return information and data.		
K-1s required		
For all Partners: Complete Part 1 with the filing entity's information		X
For all Partners: Use the data from the table(s) above to complete Parts 2 through 5		X
For all Partners: Complete Part 3	Total	Montana
Line A1 – Federal tax-exempt interest and dividends	X	X
Line A2 – Taxes based on income or profits	X	X
Line A3 – Other additions	X	X
Line B1 – Interest on US government obligations	X	X
For all Partners: Complete Part 4		
Line 1 - Ordinary business income (loss)		X
Line 5 - Interest Income		X
Line 6 - Ordinary dividends		X
Line 11 - Other income (loss)		X
Line 12 - Section 179 deduction		X
Line 13 – Other expense deductions apportionable/allocable to Montana		X
Complete Part 5		
For all Partners included in composite tax: Line 1 – Montana Composite tax paid on behalf of partner		X
For all Partners with withholding: Line 2a – Montana income tax withheld by entity in Part 1 on behalf of partner		X
For all Partners with withholding: Line 2c – Total Montana income tax withheld on behalf of partner		X

Test 2: Form PR-1

Test Partnership 2 is an oil and gas company operating in multiple states including Montana. The company is filing a refund return on extension. The company's income consists of:

- Montana source income from its own operations
- Form 1099-MISC issued from a C corporation, reporting mineral royalties and withholdings from multiple states including Montana (Montana Mineral Royalty withholding equals \$500)
- Montana Schedule K-1 reporting gain from ordinary business income and pass-through withholding from a partnership operating in multiple states (Montana Pass-Through withholding equals \$800)

The company has an overpayment credit from the prior year and has made an estimated payment and an extension payment. It is requesting a carry-forward credit to the next tax year and a partial refund of this year's overpayment. The company also has multiple credits flowing through to the company's partners.

Required Forms:

Montana:

- Form PR-1
- Schedule I
- Schedule II
- Schedule IV
- Schedules K-1
- Forms DCAC, CC, HI, RCYL, AEPC, AFRC, IUFC, MINE-CERT, MINE-CRED, BBSC, and ELC

Federal:

- Form 1065
- Schedule D
- Schedule K
- Schedule L
- Form 8825
- Form 4797
- Form 3468

Required Attachments:

- Detailed statement for PR-1, Lines 3b, 13d, 17c, 17d, and 20.
- Detailed statements for each MT Schedule K-1, Part 6, Line 2.

Taxpayer: Test Partnership 2
6708 East 109th Street
Tulsa, OK 74133

<i>FEIN:</i>	20-2222222	<i>Date formed:</i>	01/01/1997
<i>State Formed in:</i>	Oklahoma	<i>Federal Business Code/NAICS:</i>	211111
<i>MT Secretary of State ID:</i>	D123457	<i>Date Registered in Montana:</i>	3/15/2010

Partners: 2 Individuals, 2 Estates, 2 Trusts, 1 Domestic 2nd Tier Entity, 1 S Corporation, 1 Partnership

Resident Partners: 3

Partner Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Partner One	300-00-0001	8585 Montana ST Billings, MT 59101	R	I	10%	
Partner Two	300-00-0002	8585 Montana ST Billings, MT 59101	R	E	10%	
Partner Three	300-00-0003	6708 East 109 th ST Tulsa, OK 74133	R	T	13%	

Nonresident Partners: 3

Partner Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Partner Four	300-00-0004	525 Bowman Rd Seattle, WA 98101	N	I	10%	2018
Partner Five	30-0000005	525 Bowman Rd Seattle, WA 98101	N	E	10%	Withholding
Partner Six	30-0000006	525 Bowman Rd Seattle, WA 98101	N	T	13%	Composite

Other Partners: 3

Partner Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Partner Seven	30-0000007	8585 Montana ST Billings, MT 59101		DOM	10%	2017
Partner Eight	30-0000008	525 Bowman Rd Seattle, WA 98101		S	10%	Withholding
Partner Nine	30-0000009	525 Bowman Rd Seattle, WA 98101		p	14%	Composite

All Forms and attachments are required to be included in PDF submission.

Overpayment: Refund Direct Deposit

RTN, Acct #

Savings Account

IAT indicator = NO

Yes – discuss with the tax preparer; preparer’s name and phone

Required Line Items

	Test 2
Tax year beginning	X

Tax year ending	X
Taxpayer Information	
Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
Partners	
Schedules K-1 included	X
Resident partners	X
Nonresident partners	X
Other types of partners	X
Return status	
Refund return check box	X
Entity information	
Date registered in Montana	X
MT Secretary of State ID#	X
State formed in	X
Date formed	X
Federal business code/NAICS	X
Partners' Pro Rata Share of Income Items	
Line 1 - Ordinary business income (loss)	X
Line 2 - Net Rental real estate income (loss)	X
Line 3a. - Other gross rental income (loss)	X
Line 3b - Expenses from other rental activities	X
Line 3c - Other net rental income (loss)	X
Line 7 – Royalties	X
Line 8 - Net short-term capital gain (loss)	X
Line 9 - Net long-term capital gain (loss)	X
Line 10 - Net section 1231 gain (loss)	X
Line 12 - total federal income or loss	X
Partners' Distributive Share of Deduction Items	
Line 13d - Section 59(e)(2) expenditures	X
Line 14 - Total federal deductions	X
Line 15 - Federal income from all sources	X
Partners' Distributive Share of Montana Additions and Deductions	
Line 16b - Taxes based on income or profits	X
Line 16 - Total Montana additions	X
Line 17b - Deduction for purchasing recycled material	X
Line 17c - Other deductions	X
Line 17d - Nonapportionable income/loss	X

Line 17 - Total Montana deductions to income	X
Line 18 - Total distributive share of income	X
Apportioned and Allocated Montana Source Income	
Line 19 - Income apportioned to Montana	X
Line 20 - Income allocated to Montana	X
Line 21 - Total Montana source income	X
Calculation of Amount Owed or Refund	
Line 22 - Total composite tax from Schedule IV, Column H	X
Line 23 - Sum of Pass-Through Withholding from All Montana Schedules K-1, Part 5, Line 2a	X
Withholding	
Line 24a - Total Montana mineral royalty tax withheld on your behalf	X
Line 24b - Mineral royalty tax withheld distributed to partners	X
Line 24c - Montana mineral royalty tax withheld attributable to partnership	X
Line 25a - Total Montana pass-through withholding paid on your behalf	X
Line 25b - Pass-through withholding distributed to partners	X
Line 25c - Pass-through withholding attributable to partnership	X
Line 26- Total withholding payments attributable to partnership	X
Return Payments	
Line 27a - Prior year overpayment applied to current year estimates	X
Line 27b – Current year estimated payments	X
Line 27c – Current year extension payment	X
Line 27f - Total return payments	X
Line 28 - Total amount due	
(overpaid)	(X)
Penalties and Interest	
Amount Owed or Refund	
Line30 - Tax due or (overpaid) plus penalties and interest	(X)
Line 32 - Overpayment - Enter as positive number	X
Line 33 – Amount applied to following year’s Composite estimated tax	X
Line 34 - Total Refund	X
Direct Deposit	
Line 1 - Routing number	X
Line 2 - Account number	X
Savings check box	X
Line 4 - Refund outside US? (IAT)	
No check box	X
Officer’s Information	
Name and title	X
Officer's daytime phone number	X

Preparer Contact		
Preparer's name		X
Phone number		X
Yes check box		X
Schedule I - Apportionment Factors For Multistate Partnerships		
1. Property Factor		
Line 1a – Land	X	X
Line 1b – Buildings	X	X
Line 1c - Machinery	X	X
Line 1d - Equipment	X	X
Line 1e - Furniture and Fixtures	X	X
Line 1f - Leases and Leased Property	X	X
Line 1g - Inventories	X	X
Line 1h – Depletable Assets	X	X
Line 1i - Supplies and Other	X	X
Line 1m - Multiply amount of rents by 8	X	X
Total property value	X	X
Property factor		X
2. Payroll Factor		
Line 2a - Compensation of officers	X	X
Line 2b - Salaries and wages	X	X
Line 2c - Cost of goods sold	X	X
Line 2d – Other Expenses and Deductions	X	X
Total payroll value	X	X
Payroll Factor		X
3. Sales Factor		
Line 3a - Gross Sales, less returns and allowances		X
Line 3b - Sales delivered or shipped to Montana purchasers		
(1) Shipped from Outside Montana		X
(2) Shipped from Within Montana		X
Line 3c - Sales shipped from Montana to		
(1) United States government		X
(2) Purchasers in a state where the taxpayer is not taxable		X
Line 3d - Sales other than sales of tangible personal property		X
Line 3e - Net gains reported on schedule D and form 4797	X	X
Line 3f - Other gross receipts	X	X
Line 3j – Less: All intercompany transactions	X	X
Total sales value	X	X
Line 3 - Sales factor		X
Line 4 - Sum of factors		X
Line 5 - Apportionment Factor		X
Schedule II - Montana Partnership Tax Credits		

Line 1 - Dependent Care Assistance Credit	X
Line 2 - College Contribution Credit	X
Line 3 - Health Insurance for Uninsured Montanans Credit	X
Line 4 - Recycle Credit	X
Line 5 - Alternative Energy Production Credit	X
Line 6 - Contractor's Gross Receipts Tax Credit (Checkbox)	X
Line 6 - Contractor's Gross Receipts Tax Credit (Account ID)	X
Line 6 - Contractor's Gross Receipts Tax Credit	X
Line 7 - Alternative Fuel Credit	X
Line 8 - Infrastructure Users Fee Credit Form IUFC	X
Line 9 - Historic Property Preservation Credit Federal Form 3468	X
Line 10 - Mineral and Coal Exploration Incentive Credit	X
Line 11 - Empowerment Zone Credit	X
Line 12 - Biodiesel Blending and Storage Credit	X
Line 13 - Innovative Educational Program Credit	X
Line 14 - Student Scholarship Organization Credit	X
Line 15 - Emergency Lodging Credit	X
Line 16 - Unlocking Public Lands Credit	X
Type of credit recapture	
Line 17 - Historic Property Preservation Credit Recapture	X
Line 18 - Film Production Credit Recapture	X
Line 19 - Biodiesel Blending and Storage Credit Recapture	X
Line 20 - Oilseed Crushing and Biodiesel/Biolubricant Production Credit Recapture	X
Schedule IV - Composite Income Tax Schedule	
Part I Eligible participating partners	X
Part II Composite tax ratio	
Column 1. PR-1 line 15	X
Column 2. PR-1 line 21	X
Column 3. Divide column 2 by column 1	X
Part III Eligible participating partner information	
Refer to Partner Info) Complete columns A thru G for all partners marked as included in composite tax.	X
Schedule VI - Reporting of Special Transactions	
Montana Schedule K-1 to be filed for all partners based on Partnership return information and data.	
K-1s required	
For all Partners: Complete Part 1 with the filing entity's information	X

For all Partners: Use the data from the partner table(s) above to complete Parts 2 through 6		X							
For all Partners: Complete Part 3		Total	Montana						
Line A2 – Taxes based on income or profits		X	X						
Line B2 – Deduction for purchasing recycled material		X	X						
Line B3 – Other deductions		X	X						
For all Partners: Complete Part 4									
Line 1 - Ordinary business income (loss)		X							
Line 2 – Net rental real estate income (loss)		X							
Line 3 – Other net rental income (loss)		X							
Line 7 – Royalties		X							
Line 8 - Net short-term capital gain (loss)		X							
Line 9 - Net long-term capital gain (loss)		X							
Line 10 - Net section 1231 gain (loss)		X							
Line 13 – Other expense deductions apportionable/allocable to Montana		X							
Complete Part 5									
Field	Partner								
	Part. 1	Part. 2	Part. 3	Part. 4	Part. 5	Part. 6	Part. 7	Part. 8	Part. 9
Line 1						X			X
Line 2a					X			X	
Line 2b	X	X	X	X			X		
Line 2c	X	X	X	X	X		X	X	
Line 3	X	X	X	X			X		
Line 4									
Line 5									
Complete Part 6									
For all Partners: 1. Contractor’s gross receipts tax credits								X	
For all Partners: CGR Account ID								X	
For all Partners: Other credit/recapture information								X	

Test 3: Form PR-1

Test Partnership 3 is a holding company has no direct operations in the state of Montana nor other states (See business rules for PR-1, Line 19). The company is filing an amended return with a fiscal year beginning 08/01/20XX and ending 07/31/20XX. The company receives its income on Schedules K-1 from three partnerships, two of which are operating in Montana.

Required Forms:

Montana:

- Form PR-1
- Schedule IV
- Schedule VI
- Schedules K-1

Federal:

- Form 1065
- Schedule D
- Schedule K
- Form 8825
- Form 4797

Required Attachments

- Detailed statement for PR-1, Lines 11, 17d, and 20.

Taxpayer: Test Partnership 3
220 Townsend Square
Oyster Bay, NY 11771

FEIN: 20-3333333 *Date formed:* 01/03/1981
State Formed in: New York *Federal Business Code/NAICS:* 551112
MT Secretary of State ID: D125987 *Date Registered in Montana:* 5/14/2011

Partners: 1 individual, 1 estate, 1 trust

Nonresident Partners: 3

Partner Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Partner One	300-00-0001	525 Bowman Rd Seattle, WA 98101	N	I	33%	Composite
Partner Two	30-0000002	525 Bowman Rd Seattle, WA 98101	N	E	33%	Composite
Partner Three	30-0000003	525 Bowman Rd Seattle, WA 98101	N	T	34%	Composite

No – do not discuss with the tax preparer

*Composite tax calculations should result in \$0 tax amount if calculated correctly

	Test 3
Tax year beginning	X
Tax year ending	X
Taxpayer Information	
Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
Partners	
Schedules K-1 included	X
Nonresident partners	X
Return status	
Amended return check box	X
Entity information	
Date registered in Montana	X
MT Secretary of State ID#	X
State formed in	X
Date formed	X
Federal business code/NAICS	X
Partners' Pro Rata Share of Income Items	
Line 1 - Ordinary business income (loss)	X-(LOSS)
Line 2 - Net Rental real estate income (loss)	X-(LOSS)
Line 3a. - Other gross rental income (loss)	X-(LOSS)
Line 3c - Other net rental income (loss)	X-(LOSS)
Line 4 - Guaranteed payments	X
Line 8 - Net short term capital gain (loss)	X-(LOSS)
Line 9 - Net long-term capital gain (loss)	X-(LOSS)
Line 10 - Net section 1231 gain (loss)	X-(LOSS)
Line 11 - Other income (loss)	X-(LOSS)
Line 12 - Total federal income or loss	X-(LOSS)
Partners' Distributive Share of Deduction Items	
Line 15 - Federal income from all sources	X-(LOSS)
Partners' Distributive Share of Montana Additions and Deductions	
Line 17d – Nonapportionable income/loss	X-(LOSS)
Line 17 - Total Montana deductions to Income	X-(LOSS)
Line 18 -Total distributive share of income	X-(LOSS)
Apportioned and Allocated Montana Source Income	
Schedule I Not Required checkbox	X

Line 20 - Income allocated to Montana	X-(LOSS)
Line 21 - Total Montana source income	X-(LOSS)
Calculation of Amount Owed or Refund	
Line 22 - Total composite tax from Schedule IV, Column H	X*
Withholding	
Return Payments	
Line 27d - For amended returns only- payments made	X
Line 27e - For amended returns only - previously issued refunds	X
Line 27f - Total return payments	X
Line 28 - Total amount due	X
Penalties and Interest	
Amount Owed or Refund	
Line 30 – Tax due or (overpaid) plus penalties and interest	X
Line 31 – Total amount owed	X
Direct Deposit	
Officer's Information	
Name and title	X
Officer's daytime phone number	X
Preparer Contact	
Preparer's name	X
Phone number	X
Firm's name	X
Firm's address	X
Yes check box	X
Schedule I - Apportionment Factors For Multistate Partnerships	
1. Property Factor	
2. Payroll Factor	
3. Sales Factor	
Schedule II - Montana Partnership Tax Credits	
Schedule IV - Composite Income Tax Schedule	
Part 1 Eligible participating partners	X
Part II Composite tax ratio	
Column 1. PR-1 line 15	X
Column 2. PR-1 line 21	X
Column 3. Divide column 2 by column 1	X
Part III Eligible participating partner information	
(Refer to Partner Info)	
Complete columns A thru G for all partners marked as included in composite tax.	X
Schedule VI - Reporting of Special Transactions	
Line 1 - Form 8918 – Material Advisor Disclosure Statement	X
Line 2 - Form 8824 – Like-Kind Exchanges	X

Line 3 - Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships	X
Line 4 - Form 8886 – Reportable Transaction Disclosure Statement	X
Line 5 - Partnership payments to related parties that exceed \$100,000	X
Name	X
FEIN	X
Amount of Payment	X
Montana Schedule K-1 to be filed for all partners based on Partnership return information and data. ALL APPROPRIATE FIELDS MUST BE COMPLETED AS REQUIRED BY THE BUSINESS RULES	
K-1s required	

Test 4: Form PR-1

Test Partnership 4 is filing a final, partial year return beginning 01/01/20XX and ending 04/25/20XX. The company is a multi-state business with payroll in Montana and is operating with a loss. The company also receives a Montana Schedule K-1 from a partnership that only operates in Montana. The Schedule K-1 reports ordinary business income as a gain and pass-through withholding. The gain from the Schedule K-1 does not exceed the amount of the company’s everywhere operating losses but does exceed the company’s Montana apportioned losses. The total Montana sourced income does not exceed \$5,000. The company has also made estimated tax payments and is requesting a refund.

Required Forms:

Montana:

- Form PR-1
- Schedule I
- Schedules K-1

Federal:

- Form 1065
- Schedule K

Required Attachments:

- Detailed statement for Form PR-1, Lines 17d and 20.

Taxpayer: Test Partnership 4
2129 Boxer Ave
Dallas, TX 75206

<i>FEIN:</i>	20-4444444	<i>Date formed:</i>	01/01/1991
<i>State Formed in:</i>	Texas	<i>Federal Business Code/NAICS:</i>	561310
<i>MT Secretary of State ID:</i>	D456789	<i>Date Registered in Montana:</i>	6/1/2011

Partners: 1 individual, 1 Estate, 1 Trust

Non-Resident Partners: 3

Partner Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Partner One	300-00-0001	8585 Montana ST Billings, MT 59101	N	I	70%	Withholding
Partner Two	30-0000002	8585 Montana ST Billings, MT 59101	N	E	15%	Withholding
Partner Three	30-0000003	8585 Montana ST Billings, MT 59101	N	T	15%	Withholding

Overpayment: Refund Direct Deposit
RTN, Acct #: Checking Account
IAT indicator = YES (default to NO if software does not support)

Yes – discuss with the tax preparer; preparer’s name and phone

Note: If the partner’s distributive share of Montana source income is \$1,000 or less, pass-through withholding for that partner should calculate to \$0.

Required Line Items

	Test 4
Tax year beginning	X
Tax year ending	X
Taxpayer Information	
Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
Partners	
Schedules K-1 included	X
Nonresident Partners	X
Return status	
Final return check box	X
Refund return check box	X
Entity information	
Date Registered in Montana	X
MT Secretary of State ID #	X
State Formed in	X
Date Formed	X
Federal business code/NAICS	X
Partners' Pro Rata Share of Income Items	
Line 1 - Ordinary business income (loss)	X-(LOSS)
Line 12 - total federal income or loss	X-(LOSS)
Partners' Distributive Share of Deduction Items	
Line 15 - Federal income from all sources	X-(Loss)
Partners' Distributive Share of Montana Additions and Deductions	
Line 17d – Nonapportionable income/loss	X
Line 17 - Total Montana deductions to Income	X
Line 18 -Total distributive share of income	X
Apportioned and Allocated Montana Source Income	
Line 19 - Income apportioned to Montana	X-(LOSS)
Line 20 - Income allocated to Montana	X
Line 21 - Total Montana source income	X
Calculation of Amount Owed or Refund	

Line 23 - Sum of Pass-Through Withholding from All Montana Schedules K-1, Part 5, Line 2a	X	
Withholding		
Line 25a - Total Montana pass-through withholding	X	
Line 25b - Pass-through withholding distributed to Partners	X	
Line 25c - Pass-through withholding attributable to S corporation	X	
Line 26 - Total withholding payments attributable to S corporation	X	
Return Payments		
Line 27b - Estimated payments	X	
Line 27f - Total return payments	X	
Line 28 - Total amount due		
(overpaid)	(X)	
Penalties and Interest		
Amount Owed or Refund		
Line 30 - Tax due or (overpaid) plus penalties and interest	(X)	
Line 32 - Overpayment - Enter as positive number	X	
Line 34 - Total Refund	X	
Direct Deposit		
Line 1 - Routing number	X	
Line 2 - Account number	X	
Line 3 - Checking check box	X	
Line 4 - Refund outside US? (IAT)		
Yes check box	X	
Officer's Information		
Officer's name and title	X	
Officer's daytime phone number	X	
Preparer Contact		
Preparer's name	X	
Phone number	X	
Firm's name	X	
Firm's address	X	
Yes check box	X	
Schedule I - Apportionment Factors For Multistate S Corporations		
1. Property Factor		
Line 1a - Land	X	
Line 1b - Buildings	X	
Total property value	X	
Property factor		X
2. Payroll Factor		
Line 2a - Compensation of officers	X	
Line 2b - Salaries and wages	X	X
Line 2c - Costs of goods sold	X	
Total payroll value	X	X

Payroll factor	X
3. Sales Factor	
Line 3a - Gross sales, less returns and allowances	X
Total sales value	X
Sales factor	X
Line 4 - Sum of factors	X
Line 5 - Apportionment Factor	X
Schedule II - Montana S Corporation Tax Credits	
Schedule IV - Composite Income Tax Schedule	
Schedule VI - Reporting of Special Transactions	
Montana Schedule K-1	
to be filed for all Partners based on S Corp return information and data.	
ALL APPROPRIATE FIELDS MUST BE COMPLETED AS REQUIRED BY THE BUSINESS RULES	
K-1s required	