

## 2022 PTE Changes

- Highest effective tax rate changed from 6.9% to 6.75%.
- Apportionable Income Worksheet
  - This is being added to the schema so we should be able to pull this information up in a tab in Gentax.
- Page 1, Line 4
  - Added lines 4a and 4b, Services and Capital. Line 4 is now a sum line.
- Page 1, Schedule I Not Required
  - Split into two checkboxes – 100% MT Apportionable Income and 0% MT Apportionable Income
- Page 2, Line 21b
  - This is for reporting the MT effect of 8082 transactions. Will be moved next year for a more logical placement. This number does not affect anything on this page – it is not added into the amount due, and P&I are not calculated on this amount.
- Schedule II
  - Redesigned. There are now codes for the credits, a field to report any unique identifiers (e.g., 1234567-002-CGR), and the amount of the credit. Credits with asterisks denote credits that have unique identifiers, called “credit authorization numbers” in the instructions.

<b>Credit Name</b>	<b>Credit Code</b>
Recycle Credit	RCY
Contractor's Gross Receipts Credit*	CGR
Infrastructure User Fee Credit	IUF
Historic Property Preservation Credit	HPP
Innovative Educational Program Credit*	IEP
Student Scholarship Organization Credit*	SSO
Unlocking Public Lands Credit	UPL
Apprenticeship Tax Credit	APP
Media Credit*	MED
Trades Education and Training Credit	TET
Qualified Endowment Credit	QET
Job Growth Incentive Credit	JGI
Repealed Credits	REP

- Schedule IV
  - Changes to the way composite ratio and federal income are calculated. Updated instructions below.

- Part II, Column I – Enter the amount found on Form PTE, line 14. Exclude any guaranteed payments for services. This is the PTE’s federal income from all sources.
- Part II, Column II – Enter the amount found on Form PTE, line 20. If guaranteed payments for services were excluded from Column 1, then reduce the amount from Line 20 in the same proportion Column 1 was reduced by guaranteed payments. This is the PTE’s total Montana source income
  - Example: Form PTE, line 14 equals \$1500,000 and there are guaranteed payments for services of \$50,000. Column 1 is reduced by one third, resulting in a figure of \$100,000. If Form PTE, line 20 equals \$60,000, Column 2 must also be reduced by one third. The amount reported in Column 2 must be \$40,000.
- Part III, Column C – Enter the participant’s share of the PTE’s total federal income (loss) from all sources. This amount is calculated based on Montana Schedule K-1, Part 4, Column I. For each owner, add lines 1 through 11, excluding guaranteed payments for services, then subtract lines 12 and 13.
- Schedule K-1
  - Part 2 – Add checkbox labelled “Special Allocation”
  - Part 2 – Move PT-AGR checkbox and year to Part 5 above Part 5, line 1 – Composite Tax.
  - Part 5 – Add PT-AGR checkbox and year from Part 2, add checkbox labelled “Domestic 2<sup>nd</sup>-Tier PTE”
  - Part 6 – Remove existing fields and replace with a grid similar to Part 7. It will use the three key fields of Schedule II: Credit Code, Credit Unique ID, and Amount.