



## 2023 Montana Income Tax Return for Estates and Trusts

Include a complete copy of the federal Form 1041 and all related forms and schedules.

For calendar year 2023 or tax year beginning and ending

Page 1

Mark all that apply.	Name of Estate or Trust		FEIN
Initial return			
Final return	Name and Title of Fiduciary		Date Entity Created
Amended return			<b>Enter number of:</b>
Refund return	Mailing Address		Schedules K-1 included
Estate or filing trust			Resident beneficiaries
made a Section 645 election	City	State ZIP Code + 4	Nonresident beneficiaries
			Other types of beneficiaries

**Entity Type. Mark all that apply.**

**Residency Status**

Decedent's estate	Qualified disability trust	Bankruptcy estate (Chapter 11)	Resident	Resident part-year
Simple trust	ESBT	Pooled income fund	Nonresident	State moved to
Complex trust	Grantor type trust	Qualified funeral trust		State moved from
	Bankruptcy estate (Chapter 7)	Other		Date of change

Enter amounts on lines 1 through 17 corresponding to your federal return. Round to the nearest dollar. If no entry, leave blank.

	1 Interest income		1	00
	2 Ordinary dividends		2	00
	3 Business income or (loss) <span style="float: right;">Federal Business Code/NAICS</span>		3	00
	4 Capital gain or (loss)		4	00
Income	5 Rents, royalties, partnerships, other estates and trusts, etc.		5	00
	6 Farm income or (loss)		6	00
	7 Ordinary gain or (loss)		7	00
	8 Other income. List type <span style="float: right;">and amount.</span>		8	00
	9 Add lines 1 through 8. <span style="float: right;"><b>This is your total federal income.</b></span>		9	00
	Line 9 must equal the total income reported on federal Form 1041 (See instructions for Electing Small Business Trust).			
	10 Interest		10	00
	11 Taxes (do not include federal income tax deduction)		11	00
	12 Fiduciary fees		12	00
	13 Charitable deduction		13	00
Deductions and Exemptions	14 Attorney, accountant, and return preparer fees		14	00
	15a Other deductions (include schedule)		15a	00
	15b Net operating loss deduction (See instructions)		15b	00
	16 Add lines 10 through 15b		16	00
	17 Federal adjusted total income or (loss). Subtract line 16 from line 9. (The amount on this line must equal federal Form 1041, line 17.)		17	00
	18 Montana additions from Schedule A, line 9		18	00
	19 Montana deductions and subtractions from Schedule B, line 10		19	00
	20 Add lines 17 and 18, then subtract line 19. <span style="float: right;"><b>This is your Montana adjusted total income or (loss).</b></span>		20	00
	21 Montana income distribution deduction from Schedule C, line 13, but not less than zero		21	00
	22 Federal taxes paid or accrued on undistributed income		22	00
	23 Exemption		23	2 9 6 0 00
	24 Subtract lines 21, 22, and 23 from line 20. <span style="float: right;"><b>This is your Montana taxable income.</b></span>		24	00



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Amount the Entity Owes or Its Refund

- 54 If the estate or trust has a tax due (amount on line 48), add lines 48 and 53 or, if the estate or trust has a tax overpayment (amount on line 49) and it is less than line 53, subtract line 49 from line 53.  
Enter the result. **This is the amount the estate or trust owes.** 54 00
- Why not e-pay? See your options at [MTRevenue.gov](http://MTRevenue.gov). If writing a check, make it payable to MONTANA DEPARTMENT OF REVENUE.**
- 55 If the estate or trust has a tax overpayment (amount on line 49) and it is greater than line 53, subtract line 53 from line 49.  
Enter the result. **This is your overpayment.** 55 00
- 56 Enter the amount on line 55 that the estate or trust wants applied to the 2024 estimated tax 56 00
- 57 Subtract line 56 from line 55. Enter the result. **This is your refund.** 57 00

To direct deposit your refund, complete 1, 2, 3 and 4. (See instructions)

1. RTN#	2. ACCT#		
3. If using direct deposit, the estate or trust is required to mark one box.	Checking	Savings	
4. Is this refund going to an account that is located outside of the United States or its territories?	Yes	No	

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Fiduciary (or officer representing fiduciary)	Date	FEIN of Fiduciary (if a financial institution)	Telephone Number
X _____			

Print/Type Preparer's Name	Preparer's Signature	Date	PTIN
Firm's Name	_____		Firm's FEIN
Firm's Address			Telephone Number

Mark the box to allow your tax preparer to discuss this return with us.

Send your completed Form FID-3 to:

Montana Department of Revenue  
PO Box 8021  
Helena, MT 59604-8021

**Schedule A – Schedule of Additions**

- 1 Interest and mutual fund dividends from state, county, or municipal bonds from other states 1 00
- 2 Dividends not included in federal total income 2 00
- 3 Taxable federal refund 3 00
- 4 Other recoveries of amounts deducted in earlier years that reduced Montana taxable income 4 00
- 5 All state and local taxes included on page 1, line 11 5 00
- 6 Expenses allocated to U.S. obligations 6 00
- 7 Federal net operating loss carryover included on page 1, line 15b 7 00
- 8 Other income. List type and amount. 8 00
- 9 Add lines 1 through 8. Enter the total on page 1, line 18. **This is your total additions.** 9 00



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**Schedule B – Schedule of Deductions/Subtractions**

1 Exempt interest and mutual fund dividends from federal bonds, notes, and other obligations	1	00
2 State tax refunds included on page 1, line 8	2	00
3 Other recoveries of amounts deducted in earlier years that did not reduce Montana taxable income	3	00
4 Partial Pension, Annuity, and IRA income exemption (See worksheet and instructions)	4	00
5 Subtraction for federal taxable U.S. Railroad Retirement Board benefits (Tier I and Tier II)	5	00
6 Expenses allocated to other states' interest and mutual fund dividends	6	00
7 Montana net operating loss carryover from Montana Form NOL	7	00
8 State and local taxes (limited to \$10,000, see instructions)	8	00
9 Other subtractions. List type and amount.	9	00
10 Add lines 1 through 9. Enter the total on page 1, line 19. <b>This is your total deductions/subtractions.</b>	10	00

**Schedule C – Montana Distributable Net Income (MDNI) and Montana Income Distribution Deduction (MIDD)**

1 Montana adjusted total income or (loss) from page 1, line 20. If Montana adjusted total income <b>and</b> the total from page 1, line 4 are losses, use the smaller loss.	1	00
2a Add: Federal tax-exempt income (gross) 2a	00	
2b Less: Expenses allocated to federal tax-exempt income 2b	00	
2c Add: Income from federal obligations that is tax-exempt for Montana 2c	00	
2d Less: Expenses allocated to income from federal obligations that are tax-exempt for Montana 2d	00	
2e Add: Expenses allocated to non-Montana municipal income taxable to Montana 2e	00	
2f Less: Non-Montana municipal income taxable to Montana 2f	00	
2 Montana adjusted tax-exempt interest income	2	00
3a Enter the amount from federal Form 1041, Schedule B, line 3 3a	00	
3b Enter the amount from federal Form 1041, Schedule B, line 4 3b	00	
3c Enter the amount from federal Form 1041, Schedule B, line 5 3c	00	
3 Add lines 3a through 3c. <b>This is your total net capital gains.</b>	3	00
4 If the amount on page 1, line 4 is a gain, enter as a negative number. If the amount on page 1, line 4 is a loss, enter the loss as a positive number.	4	00
5 Combine lines 1 through 4. If zero or less, enter 0. <b>This is your Montana distributable net income.</b>	5	00
6 If a complex trust, enter the accounting income for the tax year as determined under the governing instrument 6	00	
7 Income required to be distributed currently	7	00
8 Other amounts paid, credited, or otherwise required to be distributed	8	00
9 Add lines 7 and 8. <b>This is your actual total distributions for the year.</b>	9	00
10 Tax-exempt income included in actual distributions included on line 9	10	00
11 Subtract line 10 from line 9. <b>This is your tentative income distribution deduction based on actual distributions.</b>	11	00
12 Subtract line 2 from line 5. If zero or less, enter 0. <b>This is your tentative income distribution deduction.</b>	12	00
13 Enter the smaller of line 11 or line 12 here, and on page 1, line 21. If zero or less, enter 0. <b>This is your Montana income distribution deduction.</b>	13	00





**Schedule D – Beneficiaries and Montana Income Distributions**

A Montana Schedule K-1 is required for every beneficiary receiving a Montana income distribution. If more than 8 beneficiaries, see instructions.

1	Name				
	SSN	FEIN			
			1a Share of federal distribution deduction	1a	00
			1b Share of Montana distribution deduction	1b	00
			1c Difference (line 1a minus line 1b)	1c	00
2	Name				
	SSN	FEIN			
			2a Share of federal distribution deduction	2a	00
			2b Share of Montana distribution deduction	2b	00
			2c Difference (line 2a minus line 2b)	2c	00
3	Name				
	SSN	FEIN			
			3a Share of federal distribution deduction	3a	00
			3b Share of Montana distribution deduction	3b	00
			3c Difference (line 3a minus line 3b)	3c	00
4	Name				
	SSN	FEIN			
			4a Share of federal distribution deduction	4a	00
			4b Share of Montana distribution deduction	4b	00
			4c Difference (line 4a minus line 4b)	4c	00
5	Name				
	SSN	FEIN			
			5a Share of federal distribution deduction	5a	00
			5b Share of Montana distribution deduction	5b	00
			5c Difference (line 5a minus line 5b)	5c	00
6	Name				
	SSN	FEIN			
			6a Share of federal distribution deduction	6a	00
			6b Share of Montana distribution deduction	6b	00
			6c Difference (line 6a minus line 6b)	6c	00
7	Name				
	SSN	FEIN			
			7a Share of federal distribution deduction	7a	00
			7b Share of Montana distribution deduction	7b	00
			7c Difference (line 7a minus line 7b)	7c	00
8	Name				
	SSN	FEIN			
			8a Share of federal distribution deduction	8a	00
			8b Share of Montana distribution deduction	8b	00
			8c Difference (line 8a minus line 8b)	8c	00



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**Schedule E – Resident Capital Gains Tax Credit Calculation**

1 Enter the capital gain or (loss) from page 1, line 4	1	00
2 Enter the net capital gains reported on federal Form 1041, Schedule D, Part III, line 19, column (1) Beneficiaries	2	00
3 Subtract line 2 from line 1. If this line is zero or less, you cannot claim a capital gains credit.	3	00
4 Multiply line 3 by 2% (.02). Enter here and on page 2, line 27. <b>This is your allowable resident capital gains tax credit.</b>	4	00

**Schedule F – Nonresident /Part-Year Resident Estate and Trust Tax**

	A	B
	Total undistributed income	Montana source income included in column A
1 Interest income	00	00
2 Ordinary dividends	00	00
3 Business income or (loss)	00	00
4 Capital gain or (loss)	00	00
5 Rental real estate, royalties, partnerships, S corporations, other estates, and trusts, etc.	00	00
6 Farm income or (loss)	00	00
7 Ordinary gain or (loss)	00	00
8 Other income	00	00
9 Interest and mutual fund dividends from other states' state, county, or municipal bonds	00	00
10 Dividends not included in total federal income	00	00
11 Taxable federal refund	00	00
12 Other recoveries of amounts deducted in earlier years that reduced Montana taxable income	00	00
13 Other additions to income and adjustments	00	00
14 Add lines 1 through 13 and enter the result here. <b>Column B is the estate or trust's Montana source income.</b>	00	00
15 Divide the amount in column B, line 14 by the amount in column A, line 14 and enter result here. Round to 6 decimal places and do not enter more than 1.000000.	15	
16 Enter the tax from page 2, line 26	16	00
17 Multiply column B, line 4 by 2% (.02). <b>This is your nonresident/part-year resident capital gains credit.</b>	17	00
18 Multiply the tax on line 16 by the percentage on line 15 and deduct line 17. Enter the result here and on page 2, line 28a. <b>This is your estate or trust nonresident/part-year resident tax after capital gains tax credit.</b>	18	00

Schedule F applies to nonresident and part-year resident estates and trusts only. The fiduciary will use this schedule to compute the ratio of undistributed Montana source income to total undistributed income. This ratio is then multiplied by the tax from page 2, line 26, and reduced by the capital gains credit on Schedule F, line 17, to determine the nonresident or part-year resident tax to be reported on page 2, line 28a.

**Column A** – For lines 1 through 13, start with the corresponding line on page 1 and reduce that amount by any income distributed to the beneficiaries.

**Column B** – For lines 1 through 13, report the amount of Montana source income included in column A.



**Schedule G – S Portion Tax Calculation of ESBT**

1 Total federal adjusted ESBT income (See instructions and include federal computation)		1	00
2 Montana additions to ESBT income (Include statement)	2	00	
3 Montana deductions from ESBT income (Include statement)	3	00	
4 Add lines 1 and 2, then subtract line 3.	<b>This is your Montana adjusted ESBT income.</b>	4	00
5 Federal income tax paid or accrued on ESBT income		5	00
6 Subtract line 5 from line 4.	<b>This is your Montana taxable ESBT income.</b>	6	00
7 <b>Tax from tax table.</b> If line 6 is zero or less, enter 0.	7	00	
8 Montana source income	8	00	
9 Divide line 8 by line 4 (round to 6 decimal places).	<b>This is your nonresident ratio.</b>	9	
10 Multiply line 7 by line 9.	<b>This is your nonresident/part-year resident tax.</b>	10	00
11 Capital gains credit. (See instructions)		11	00
<i>If you are a resident or part-year resident trust, complete line 12. If you are a nonresident trust, skip line 12.</i>			
12 Enter the total credit for income taxes paid to another state or country (See instructions)		12	00
13 Other nonrefundable credits. List credit forms		13	00
14 Combine lines 11 through 13		14	00
15 Endowment credit recapture tax		15	00
16 If a resident trust, add lines 7 and 15, or if a nonresident or part-year resident trust, add lines 10 and 15. Subtract line 14 from the result. If zero or less, enter 0. Enter here and include on page 2, line 36.	<b>This is your S portion tax liability.</b>	16	00

**Schedule H – Reporting of Special Transactions, NOL and Amended Return Information**

**Part I. Reporting of Special Transactions**

Complete this part only if the estate or trust filed any of the federal income tax forms described below. Mark the appropriate box indicating which form the estate or trust filed with the Internal Revenue Service for this tax year.

- 1 The estate or trust filed federal **Form 8918 – Material Advisor Disclosure Statement** with the Internal Revenue Service. Yes  
Material advisors are required to file Form 8918 for any reportable transactions.
- 2 The estate or trust filed federal **Form 8824 – Like-Kind Exchanges** with the Internal Revenue Service. Yes  
NOTE: Mark the box if the like-kind exchange includes Montana property. Nonresidents do not have to report a like-kind exchange if the properties involved do not include Montana property.  
Use Form 8824 to report each exchange of business or investment property for property of a like kind.
- 3 The estate or trust filed federal **Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships** with the Internal Revenue Service. Yes  
Use Form 8865 to report the information required under 26 USC 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interest).
- 4 The estate or trust filed federal **Form 8886 – Reportable Transaction Disclosure Statement** with the Internal Revenue Service. Yes  
Use Form 8886 to disclose information for each reportable transaction in which the estate or trust participated.

**Part II. Farming Business Net Operating Loss Carryback Waiver**

Mark the box if you do not want to carry back your farming business net operating loss.

You must make this election by the due date (including extension) for filing your income tax return.

**Part III. Amended Return Information**

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

a NOL carryback	Form or Schedule	Line or Box	Reason
b Federal audit			
c Amended federal return			
d Filing status			
e Other			



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# Montana Schedule K-1 (FID-3)

## Beneficiary's Share of Income (Loss), Deductions, Credits, etc.

For calendar year 2023 or tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

<b>Part 1</b>	<b>Estate or Trust Information</b>	Mark applicable boxes:      Final Schedule K-1                      Amended Schedule K-1		
		Name of Estate or Trust		FEIN
		Fiduciary's Name		
		Mailing Address		
		City	State	ZIP Code
<b>Part 2</b>	<b>Beneficiary Information</b>	Beneficiary's Name		FEIN
		Mailing Address		OR SSN
		City	State	ZIP Code
		What type of entity is this beneficiary?		
		If beneficiary is an individual, estate, or trust, the beneficiary is a:		Full-year resident      Part-year resident      Nonresident
<b>Part 3</b>	<b>Montana Adjustments</b>	<b>A Montana additions to income.</b>		
		Adjustment for smaller federal estate and trust taxable distributions.	A	00
		<b>B Montana deductions from income.</b>		
		Adjustment for larger federal estate and trust taxable distribution.	B	00
<b>Part 4</b>	<b>Beneficiary's Share of Montana Source Income (Loss)</b>	1 Interest income	1	00
		2 Dividends	2	00
		3 Business income or (loss)	3	00
		4 Capital gain or (loss)	4	00
		5 Rents, royalties, partnerships, S corporations, other estates and trusts, etc.	5	00
		6 Net farm income or (loss)	6	00
		7 Ordinary gain or (loss)	7	00
		8 Other income. List type	and amount. 8	00
		9 Montana source additions to income reported on Form FID-3, Schedule A. Include a list with types	and amount. 9	00
<b>Part 5</b>	<b>Supplemental Information</b>	1 Montana mineral royalty tax withheld	1	00
		2 Federal income tax paid or incurred allocated to beneficiary. (See instructions)	2	00
		3 Other information. List type	and amount. 3	00



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