MeF Technical Requirements for Tax Software Developers

Corporate Income Tax

Tax Year 2023

Version 1.0
August 14, 2023

Contents

Introduction

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

What Has Changed for Tax Year 2023

Montana Senate Bill 24 (2023) requires corporations with more than $750,000 in gross receipts during a tax period to file electronically.

The Requirements documentation listed below can be found on the State Exchange System located at https://taxadmin.kiteworks.com/.

2023 Business Schema

The 2023 Schema package for Business Tax returns will be posted to the State Exchange System. The version is titled MTBusiness2023V1.0. The Corporate Income Tax (CIT) schemas are in the MTBusiness folder titled BusinessReturnCIT.xsd and ReturnDataCIT.xsd.

2023 Change Logs

A schema change log is posted as separate document on the State Exchange System with all changes to the CIT schema for the current tax year. The change log spreadsheet is named 2023CITchangelogV1.0.xlsx.
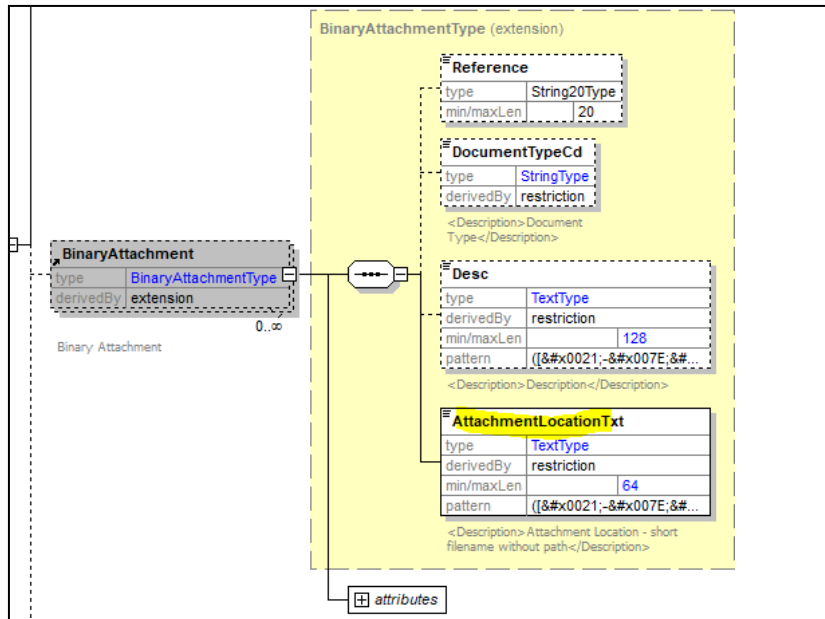
Business Rules

The Corporate Income Tax Business Rules and Reject Codes excel document along with the 2023 Instructions are also posted on the SES website for your review.

Reject Codes

Montana uses automated reject codes to enforce some of these business rules on return submissions. The reject code requirement documentation is also posted on the SES website for your review on the same spreadsheet as the Business Rules under the 2023 Reject Code Items tab.

Binary Attachment Reject Code Errors

If the reject code is based on a required attachment needed in the return submission the file name needs to match the file name shown on the reject code documentation or a schema validation will occur. Please see the file names to be used in the Business Rule Reject code excel tab on the SES website. The filename name needs to match exactly (no spaces, not case sensitive) with the file extension included. The schema element used to look for the correct filename is the AttachmentLocationTxt element in the Binary Attachment section of the schema shown below.

For Example, If Page 3, line 2d (Income/loss of foreign parent and foreign subsidiaries for worldwide combined filers) has a non-zero value, the supporting schedule will need to be attached to the return or it will reject. To prevent the reject, you need to update the Binary attachment schema element above with the exact name **"ForeignIncomeSchedule.pdf"** and attach the file with the return.

<BinaryAttachment documentId="-" documentName="a" softwareId="a" softwareVersion="!">

    <Reference>Reference</Reference>

    <DocumentTypeCd>PDF</DocumentTypeCd>

    <Desc>ForeignIncomeSchedule</Desc>

    <AttachmentLocationTxt>**ForeignIncomeSchedule.pdf**</AttachmentLocationTxt>

</BinaryAttachment>

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 that are available when electronically filing the Corporate Income Tax Return.

Current Forms

Form CIT	Montana Corporate Income Tax Return
Form Schedule K	Apportionment Factors for Multi-State Taxpayers
Form Schedule C	Tax Credits
Schedule M	Affiliated Entities
Form CIT – UT	Annualized/Seasonal Income Worksheet
Schedule K Combined	Apportionment Factors for Combined Filers
Form QEC	Quality Endowment Credit
Form RCYL	Recycling Credit
Schedule WE	Water's Edge Schedule
Form IUFC	Infrastructure User Fee Credit
Media Claim Form	Media Credit
Schedule NOL	Net Operating Loss Deduction
Form JGI	Job Growth Incentive Credit
Form TETC	Trades Education and Training Credit

The Montana Department of Revenue accepts attachments of the following items:

- Amended Return Reason
- Description of Montana Activities
- Taxes Based on Income – MT
- Income/Loss of Foreign Subsidiaries
- Income/Loss of Unconsolidated Unitary Subsidiaries
- Other Additions
- Nonbusiness Income
- Income/Loss Nonunitary Subsidiaries
- Income/Loss of 80/20 Companies
- Other Reductions
- Income Allocated to Montana
- Net Operating Loss
- All Other Payments
- Previously Issued Refunds
- Miscellaneous Statements
- See Montana Business Rules for additional required attachments.

Submission Manifest

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

Element Name	Form CIT
GovernmentCode	MTST
StateSubmissionType	CIT
SubmissionCatagory	CORP

Montana 2023 Corporate Income Tax Return with MeF Reference Numbers

We have added the MeF Reference numbers as a new layer on the pdf of the Form CIT.

The layer is turned off by default. To view the layer, please follow these steps:
1. Click on the Layers icon.
2. Click on the carrot to the left of "CIT_2023.indd."
3. Click on the box to the left of "MEF Reference."
4. MeF References will be visible in red beneath the fillable fields.