



2011 Montana Income Tax Withheld for a Nonresident Individual, Foreign C Corporation, or Second Tier Pass-Through Entity

For calendar year 2011 or tax year beginning (mm/dd)___/___/2011 and ending (mm/dd/yy)___/___/___

This form is to be completed by the pass-through entity when the owner does not participate in a composite tax return and does not submit a signed Montana Form PT-AGR, Pass-Through Entity Owner Tax Agreement or the Form PT-STM, Second Tier Pass-Through Entity Owner Statement.

Pass-Through Entity Information

Name (as it appears on the pass-through entity's Montana tax return)	
Pass-Through Entity Type:	
<input type="checkbox"/> S Corporation	Federal Employer Identification Number <input type="text"/> - <input type="text"/>
<input type="checkbox"/> Partnership	
<input type="checkbox"/> Disregarded Entity	

Owner Information

Name		
Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>	OR	Federal Employer Identification Number <input type="text"/> - <input type="text"/>
Mailing Address		
City	State	Zip Code
Owner Entity Type: <input type="checkbox"/> Individual <input type="checkbox"/> C corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S corporation <input type="checkbox"/> Trust or Estate <input type="checkbox"/> Disregarded Entity	1. Owner's Montana source income reflected on the pass-through entity's information return \$ _____ 2. Enter the amount of Montana tax withheld. If the owner is a nonresident individual or a second tier pass-through entity, multiply line 1 by 6.9%. If the owner is a foreign C corporation, multiply line 1 by 6.75%..... \$ _____	



Pass-Through Entity Instructions

What is the purpose of Form PT-WH?

As provided in Section 15-30-3313, Montana Code Annotated, a pass-through entity that has a nonresident individual, foreign C corporation, or second tier pass-through entity owner at any time during the tax year who (1) does not have a valid, currently effective tax agreement (Form PT-AGR) or statement (Form PT-STM) from the owner, or (2) does not participate in filing a composite return with the entity, is required to pay tax to the Department of Revenue on behalf of the owner.

How much tax should the pass-through entity pay on behalf of its owners?

For a nonresident individual and a second tier pass-through entity, the amount that has to be paid is 6.9% of the Montana source income as reflected on your Montana return. For a foreign C corporation, the amount paid is 6.75% of the Montana source income as reflected on your Montana return.

Where does a pass-through entity report the amount of tax that was paid on behalf of the owners?

Report the amounts from lines 1 and 2 on:

- ▶ Montana Schedule K-1
- ▶ Form CLT-4S, Schedule III or Form PR-1, Schedule III

Send Form PT-WH to your owners. We do not require you to submit the Form PT-WH with your information return.

Owner Instructions

What does a nonresident individual need to do with this form?

We consider the amount of Montana income tax that is withheld as a payment against your Montana individual income tax liability. When you complete your Montana Individual Income Tax Return (Form 2) you should claim the amount of Montana tax withheld shown on line 2 as a withholding payment on line 57 of your Montana Form 2. Form PT-WH or Montana Schedule K-1 has to be included with your Montana Form 2 when you claim this payment.

What does a foreign C corporation need to do with this form?

We consider the amount of Montana income tax that is withheld as a payment against the foreign C corporation's Montana corporation license tax liability. When the corporation completes its Montana Corporation License Tax Return (Form CLT-4) it should claim the amount of Montana tax withheld shown on line 2 as a withholding payment on line 12e of its Montana Form CLT-4. Form PT-WH has to be included with the corporation's Montana Form CLT-4 when it claims this payment.

What does a second tier pass-through entity need to do with this form?

We consider the amount of Montana income tax that is withheld as a payment of the second tier partnership's tax liability which may be claimed by the owner who ultimately reports the Montana source income as a refundable credit. The first tier pass-through entity must give the second tier pass-through entity notice on the Montana Schedule K-1 of the amount of refundable credit that may be claimed by the owner who ultimately reports the Montana source income on individual or corporation license income tax returns.

Questions? Please call us toll free at (866) 859-2254 (in Helena, 444-6900).