

Form EXT-FID General Instructions

How can a fiduciary of an estate or trust receive an extension to file the Montana tax return?

In order for an estate or trust to be granted an extension of time for filing Form FID-3, both of the following requirements must be met by April 17, 2012:

1. The fiduciary has applied to the IRS by filing federal Form 7004 for an automatic five-month extension to file the federal income tax return.
2. The estate or trust has paid 90% of the estate's or trust's current year tax liability or 100% of its previous year tax liability through estimated tax payments, withholding tax, or a combination of estimated tax payments and withholding tax.

Mark the extension indicator box on Form FID-3, page 3, and include a copy of the federal Form 7004 to the completed Montana income tax return. Do not send copies of the federal extension prior to filing the tax return.

The estate or trust has a valid Montana extension but did not pay the entire 2011 income tax liability by April 17, 2012. Is the outstanding Montana income tax liability subject to penalties and interest?

Yes, it is. It is important to note that any extension of time to file the Montana tax return is not an extension of time to pay the tax liability. If the estate or trust has a valid Montana extension but has not paid the entire 2011 tax liability by April 17, 2012, it is relieved of the late file penalty but not relieved of late payment penalty and interest on the outstanding Montana income tax liability.

The late payment penalty is equal to 1.2% per month or fraction of a calendar month on the unpaid balance from

April 17, 2012 until it is paid. In no instance will the late payment penalty exceed 12% (10 months X 1.2%) of the unpaid tax.

If the estate or trust has not paid all of the tax liability by April 17, 2012, it will have to pay 8% annual interest, computed daily on the unpaid balance.

How does the estate or trust make an extension payment?

The fiduciary will need to complete this form to determine the amount of the extension payment for the estate or trust. If there is more than \$1 on line 9, please pay the amount on line 9 on or before April 17, 2012. If the estate or trust is a fiscal year taxpayer, the payment is due on or before the 15th day of the fourth month after the close of the tax year.

- **Pay Electronically.** An extension payment can be made electronically by e-check or credit card. Please visit our website at revenue.mt.gov. There is no fee for an e-check, but a small fee is applied for a credit card payment.
- **Pay by personal check, money order or cashier's check.** If paying by personal check, money order or cashier's check, please complete the Montana Estate or Trust Payment Voucher on the previous page. Make the check payable to the Montana Department of Revenue. Remember to sign the check, and write the federal identification number and "Tax Year 2011-EXT" on the memo line. Mail the payment and payment voucher to the following address:

Montana Department of Revenue
PO Box 6309
Helena, MT 59604-6309