

2008 Montana Income Tax Return for Estates and Trusts Form FID-3

For the calendar year 2008 or the tax year beginning (mm-dd) _____, 2008, ending (mm-dd) _____, 20__

<input type="checkbox"/> Initial Return <input type="checkbox"/> Final Return <input type="checkbox"/> Amended Return <input type="checkbox"/> Check here if this is a NOL Carryback.	Name of estate or trust (If a grantor trust, see instructions.) <hr/> Name and title of fiduciary <hr/> Mailing address <input type="checkbox"/> Check if this is a change of address <hr/> City or town, state and zip code + 4 <hr/>	Federal Employer Identification Number <hr/> <input type="checkbox"/> Check this box if you are claiming PT-WH <hr/> Residency status <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident
		Type of entity (check only one) <input type="checkbox"/> Decedent's Estate <input type="checkbox"/> Trust <input type="checkbox"/> ESBT <input type="checkbox"/> Grantor Trust <input type="checkbox"/> Other
Attach a copy of your federal Form 1041 and Schedule K-1(s)		

Enter amounts corresponding to your federal return. Round to nearest dollar. If no entry, leave blank

Income	1. Interest income..... 1.	
	2a. Total ordinary dividends..... 2a.	
	2b. Qualified dividends allocable to: (1) Beneficiaries <input type="text"/> (2) Estate and Trust <input type="text"/>	
	3. Business income or (loss). Attach federal Schedule C or C-EZ (Form 1040) NAICS <input type="text"/> 3.	
	4. Capital gain or (loss). Attach federal Schedule D (Form 1041)..... 4.	
	5. Rents, royalties, partnerships, other estates and trusts, etc. Attach federal Schedule E (Form 1040)..... 5.	
	6. Farm income or (loss). Attach federal Schedule F (Form 1040)..... 6.	
	7. Ordinary gain or (loss). Attach federal Form 4797..... 7.	
	8. Other income. List type and amount:..... 8.	
9. Add lines 1, 2a, and 3 through 8 and enter the result here. This is your total federal income. 9.		
Line 9 must equal your total income reported on your federal Form 1041. (See instructions for Electing Small Business Trust.)		
Additions	10. Interest and mutual fund dividends from other states' state, county and municipal bonds..... 10.	
	11. Dividends not included in federal total income..... 11.	
	12. Taxable federal refund..... 12.	
	13. Other recoveries of amounts deducted in earlier years that reduced Montana taxable income..... 13.	
	14. Federal net operating loss carry forward included in line 8 above..... 14.	
	15. Other additions. List type and amount. 15.	
16. Add lines 10 through 15 and enter the result here. This is your total Montana additions to income. ... 16.		
Subtractions	17. Exempt interest and mutual fund dividends from federal bonds, notes, and other obligations..... 17.	
	18. State tax refunds included on line 8 above..... 18.	
	19. Other recoveries of amounts deducted in earlier years that did not reduce Montana taxable income..... 19.	
	20. Partial pension and annuity income exemption. See worksheet and instructions on page 5..... 20.	
	21. Montana net operating loss carry forward from Montana Form NOL Schedule B..... 21.	
	22. Other subtractions. List type and amount. 22.	
23. Add lines 17 through 22 and enter the result here. This is your total Montana subtractions from income. ... 23.		
24. Add lines 9 and 16 then subtract line 23 and enter the result here. This is your total Montana income. . 24.		
Deductions and Exemptions	25. Interest <input type="checkbox"/> Check this box if federal Form 4952 is attached..... 25.	
	26. Federal income tax..... 26.	
	27. Other taxes..... 27.	
	28. Fiduciary fees..... 28.	
	29. Charitable deduction..... 29.	
	30. Attorney, accountant, and return preparer fees..... 30.	
	31. Other deductions not subject to the 2% floor. (Attach schedule.)..... 31.	
	32. Allowable miscellaneous itemized deductions subject to the 2% floor..... 32.	
	33. Add lines 25 through 32 and enter here. This is your deductions before distributions and exemption..... 33.	
	34. Subtract line 33 from line 24 and enter the result here. This is your adjusted total income or (loss). ... 34.	
	35. Income distribution deduction from Form FID-3, Schedule I, Column G..... 35.	
	36. Exemption..... 36.	2,140
	37. Add lines 35 and 36; enter the result here. This is the total of your income distribution deduction and exemption. 37.	
	38. Subtract line 37 from line 34 and enter the result here. This is your Montana taxable income. 38.	

Entity Name _____ Tax period ending _____ FEIN: _____

Schedule I - Distribution to Beneficiaries

List name and address of each beneficiary receiving a portion of distributions reported on line 35. If more than 10 beneficiaries, attach a separate schedule.

A	B	C	D	E	F	G
Name and Address of Beneficiary (Name Street Address City State Zip Code)	Identification Number		Interest and Dividends Received by Beneficiary	Capital Gains Received by Beneficiary	Other Income Received by Beneficiary	Total Income Distribution Received by Beneficiary
1.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
2.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
3.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
4.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
5.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
6.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
7.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
8.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
9.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
10.	SSN	<input type="checkbox"/> Resident				
	FEIN	<input type="checkbox"/> Nonresident				
Column Totals						

Use additional sheets if necessary or you may use a document formatted similarly to Schedule I as a substitute.

Schedule II - Nonresident Estate and Trust Tax (Include only the income that has not been distributed.)	Column A - Undistributed income from Form FID-3, page 1	Column B - Montana source income included in the amount in Column A
1. Montana source interest income.1.		
2. Montana source ordinary dividends.2.		
3. Montana source business income or (loss)3.		
4. Montana source capital gain or (loss).4.		
5. Montana source rental real estate, royalties, partnerships, S corporations, other estates and trusts, etc.5.		
6. Montana source farm income or (loss).6.		
7. Montana source ordinary gain or (loss).7.		
8. Montana source other income.8.		
9. Montana source interest and mutual fund dividends from other states' state, county or municipal funds.9.		
10. Montana source dividends not included in federal adjusted gross income.10.		
11. Montana source taxable federal refund.11.		
12. Montana source other recoveries of amounts deducted in earlier years that reduced Montana taxable income in those years.12.		
13. Montana source other additions.13.		
14. Add lines 1 through 13 and enter the result here. This is your Montana source income in column B.14.		
15. Divide the amount in Column B, line 14 above by the amount in Column A, line 14 above and enter result here. Carry to 4 decimal places and do not enter more than 1.0000.15.		
16. Enter your resident tax after capital gains credit reported on Form FID-3, line 42.16.		
17. Multiply the tax on line 16 by the percentage on line 15 and enter the result here and on Form FID-3, page 2, line 42a. This is your nonresident tax after capital gains credit.17.		

Column A - Enter on lines 1 through 13 the undistributed income from FID-3, lines 1 through 8 and lines 10 through 15.

Column B - Enter on lines 1 through 13 the undistributed Montana source income from FID-3, lines 1 through 8 and lines 10 through 15.

How do I determine what is my Montana source income when I am a nonresident trust or estate?

In general, as a nonresident estate or trust your Montana source income is all the income that you receive for work performed in Montana, income that you receive from real or personal property that is located in Montana, and income that you receive from a business conducted in Montana. For additional information regarding Schedule II, please see the instructions on pages 9 and 10.

2008 Montana Fiduciary Income Tax Table									
If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax	If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax
\$0	\$2,600	1% (0.010)	\$0		\$9,500	\$12,200	5% (0.050)	\$237	
\$2,600	\$4,600	2% (0.020)	\$26		\$12,200	\$15,600	6% (0.060)	\$359	
\$4,600	\$7,000	3% (0.030)	\$72		More than \$15,600		6.9% (0.069)	\$499	
\$7,000	\$9,500	4% (0.040)	\$142						

For Example: Taxable Income \$6,800 X 3% (0.030) = \$204; \$204 Minus \$72 = \$132 Tax

Schedule III - Montana Tax Credits

Nonrefundable credits that are single-year credits and HAVE NO carryover provision.

1. Credit for an income tax liability paid to another state or country from Form FID-3, Schedule IV. Attach Form FID-3, Schedule IV.	1.	
2. College contribution credit. Attach Form CC.	2.	
3. Qualified endowment credit. Attach Form QEC.	3.	
4. Energy conservation installation credit. Attach Form ENRG-C.	4.	
5. Alternative fuel credit. Attach Form AFCR.	5.	
6. Health insurance for uninsured Montanans credit. Attach Form HI.	6.	
7. Elderly care credit. Attach Form ECC.	7.	
8. Recycle credit. Attach Form RCYL.	8.	
9. Oilseed crushing and biodiesel/biolubricant production facility credit. Attach Form OSC.	9.	
10. Biodiesel blending and storage credit. Attach Form BBSC.	10.	

Nonrefundable credits that HAVE a carryover provision.

11. Contractor's gross receipts tax credit.	11.	
12. Geothermal systems credit. Attach Form ENRG-A.	12.	
13. Alternative energy systems credit. Attach Form ENRG-B.	13.	
14. Alternative energy production credit. Attach Form AEPC.	14.	
15. Dependent care assistance credit. Attach Form DCAC.	15.	
16. Historic property preservation credit. Attach federal Form 3468.	16.	
17. Infrastructure users fee credit.	17.	
18. Empowerment zone credit.	18.	
19. Increasing research activities credit. Attach Form RSCH.	19.	
20. Mineral exploration incentive credit. Attach Form MINE-CRED.	20.	
21. Film employment production credit. Attach Form FPC. Report your credit on this line if you have made the one-time four year carry forward election.	21.	
22. Adoption credit. Attach federal Form 8839.	22.	
23. Add lines 1 through 22 and enter result here and on Form FID-3, line 45. This is your total nonrefundable credits.	23.	

Refundable credits.

24. Film employment production credit. Attach Form FPC.	24.	
25. Film qualified expenditure credit. Attach Form FPC.	25.	
26. Insure Montana small business health insurance credit. Business FEIN _____	26.	
NEW 27. Temporary emergency lodging credit. Attach Form TELC.	27.	
28. Add lines 24 through 27 and enter result here and on Form FID-3, line 53. This is your total refundable credits.	28.	

Montana Tax Credits

We have listed the Montana tax credits available to you under three categories. With the exception of the capital gains tax credit, which is required to be applied before any other credit, you are not required to apply any of these tax credits against your income tax liability in any particular order.

Nonrefundable single-year credits. The nonrefundable single-year credits can only be used to offset the 2008 tax after capital gains credit and cannot reduce the tax liability below zero. The unused portion that exceeded the 2008 tax liability cannot be carried forward or back to other tax years.

Nonrefundable carryover credits. The nonrefundable carryover credits can be used to offset the 2008 tax after capital gains credit and cannot reduce the tax liability below zero. The excess credits that were not applied against the 2008 income tax liability can be carried over and used to offset future year tax liabilities.

Refundable Credits. The refundable credits are applied against the income tax liability with any unused credit refunded to the estate or trust.

Please note: If the trust is a grantor trust, the credits are reported on the Montana individual income tax return.

Schedule IV - Credit for an Income Tax Liability Paid to Another State or Country
Resident Estates or Trusts Only

1. Enter your income taxable to another state or country that is included in Montana income on Form FID-3, line 24. Where applicable, this includes your share of income taxes paid that were claimed as a deduction by your estate or trust.	1.
2. Enter your total income from the other state or country you used in calculating your income tax paid to that state or country. Include in this total all income exempt from Montana income tax that was subject to tax in the other state or country. Indicate state's abbreviation. A: _____ B: _____	2.
3. Enter your total Montana income from Form FID-3, line 24. Where applicable, this includes your share of income taxes paid that are claimed as a deduction by your estate or trust.	3.
4. Enter your total income tax liability paid to the other state or country.	4.
5. Enter your Montana tax liability from Form FID-3, line 42.	5.
6. Divide line 1 by line 2. Enter the percentage here, but not greater than 100%.	6.
7. Multiply line 4 by line 6 and enter the result here.	7.
8. Divide line 1 by line 3. Enter the percentage here, but not greater than 100%.	8.
9. Multiply line 5 by line 8 and enter the result here.	9.
10. Enter here and on Form FID-3, Schedule III, line 1, the smaller of the amounts reported on lines 4, 7, or 9 above. This is your credit for an income tax paid to another state or country.	10.

- You are not entitled to a Montana tax credit for taxes paid to a foreign country unless you have unused federal credit that is not eligible to be carried back or carried forward to another tax year.
- Your credit is limited to an income tax liability paid on income that is also taxed by Montana.
- You will need to complete a separate Schedule IV for each state or country to which you have paid an income tax liability. You cannot combine payments on one schedule.
- This is a nonrefundable single year credit. It cannot reduce your Montana tax liability below zero.
- No unused credit amount can be carried forward.

Schedule V - Reporting of Special Transactions

Complete Schedule V only if your estate or trust filed for federal income tax purposes any of the federal forms described below. Check the appropriate box indicating which form(s) you filed with your federal income tax return. If your answer is "Yes" to one or more of these forms, you will need to attach a complete copy of your federal income tax return Form 1041.

1. My estate or trust filed federal Form 8918 – Material Advisor Disclosure Statement with the Internal Revenue Service.	<input type="checkbox"/>	Yes
Form 8918 is required to be filed by material advisors to any reportable transactions.		
2. My estate or trust filed federal Form 8824 – Like-Kind Exchanges with the Internal Revenue Service.	<input type="checkbox"/>	Yes
NOTE: Check this box if your 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. Form 8824 is used to report each exchange of business or investment property for property of a like kind.		
3. My estate or trust filed federal Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships with the Internal Revenue Service.	<input type="checkbox"/>	Yes
Form 8865 is used 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. My estate or trust filed federal Form 8886 – Reportable Transaction Disclosure Statement with the Internal Revenue Service.	<input type="checkbox"/>	Yes
Form 8886 is used to disclose information for each reportable transaction in which you participated.		