Montana Department of REVENUE

Clear Form

MONTANA
ESW
Rev. 11-09

2010 Montana Individual Estimated Income Tax Worksheet

Keep this worksheet for your records

To estimate your 2010 income tax due, you may use your 2009 income tax due from Form 2, line 53, Form 2M, line 47 or Form 2EZ, line 15. If you choose this method, skip lines 1 through 8 and enter your 2009 tax due on line 9b below, otherwise begin with line 1.

1. Enter your 2010 estimated Montana adjusted gross income here ..... 1.
2. Enter the estimated amount of your:
   a. 2010 itemized deductions or standard deduction. (If you are using the standard deduction enter 20% (0.20) of line 1, but not less than $1,750 or more than $3,950 if your filing status is single, or not less than $3,500 or more than $7,900 if your filing status is jointly or head of household.) ..... 2a.
   b. 2010 exemptions. (Multiply $2,110 times the number of your allowable exemptions and enter the result here.) ..... 2b.

   Add lines 2a and 2b and enter the result here ..... 2.
3. Subtract line 2 from line 1 and enter the result here. **This is your 2010 estimated taxable income.** If the result is zero or less, stop here. You are not subject to estimated tax payments in 2010 ..... 3.
4. Calculate your estimated 2010 income tax:
   a. Multiply the amount on line 3 using the tax table on the back of this form and enter the result here ..... 4a.
   b. If you have net capital gains included in your estimated Montana adjusted gross income on line 1, multiply the net capital gains amount by 2% (0.02) and enter the result here ..... 4b.

   Subtract line 4b from 4a and enter the result here. **This is your 2010 estimated resident tax after capital gains tax credit.** ..... 4.
5. Enter your 2010 estimated nonrefundable single-year credits and carryover credits here ..... 5.
6. Subtract line 5 from line 4 and enter the result here. **This is your 2010 estimated total tax after nonrefundable credits.** ..... 6.
7. Enter your estimated 2010 recapture taxes here ..... 7.
8. Add lines 6 and 7 and enter the result here. **This is your 2010 estimated total tax due.** ..... 8.
9. a. Multiply line 8 by 90% (0.90) and enter the result here ..... 9a.
   b. Enter 100% of the tax due shown on your 2009 income tax return Form 2, line 53 (add columns A and B), Form 2M, line 47, or Form 2EZ, line 15 ..... 9b.

   Enter the smaller of line 9a or 9b. If you are unable to compute line 9a, enter the amount from line 9b. ..... 9.
10. a. Enter the estimated amount of your Montana income tax and mineral royalty tax withholding in 2010. (Examples include withholding on wages, pensions, annuities, pass-through entities, etc.) ..... 10a.
    b. Enter the amount of your 2009 overpayment that was applied to your 2010 income tax ..... 10b.
    c. Enter the estimated amount of your 2010 refundable credits. This includes your elderly homeowner/renter credit, film employment production credit, film qualified expenditure credit, Insure Montana credit and temporary emergency lodging credit ..... 10c.

    Add lines 10a, 10b, and 10c and enter the result here. **This is your 2010 estimated payments.** ... 10.
11. Subtract line 10 from line 8. If the result is less than $500, stop here; you are not subject to estimated tax payments in 2010. If the result is $500 or more, subtract line 10 from line 9 and enter the amount here and continue to line 12. ..... 11.

Payment Due Dates	a. April 15, 2010	b. June 15, 2010	c. Sept. 15, 2010	d. Jan 15, 2011
12. Divide the amount on line 11 by four (4) and enter the result in columns a, b, c and d ..... 12.				
13. Enter your annualized income installment amount from Form ESA, line 29. ..... 13.				
14. Enter the amount from line 12 or line 13 whichever applies. **This is your installment payment due for each period.** 14.				

If the payment date falls on a weekend or a holiday, your payment is due on the next business day.

2009 Montana Individual 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
$0	$2,600	1% (0.010)	$0	
$2,600	$4,500	2% (0.020)	$26	
$4,500	$6,900	3% (0.030)	$71	
$6,900	$9,300	4% (0.040)	$140	
$9,300	$12,000	5% (0.050)	$233	
$12,000	$15,400	6% (0.060)	$353	
More Than $15,400		6.9% (0.069)	$492	

For Example: Taxable income $6,800 X 3% (0.030) = $204.
$204 minus $71 = $133 Tax

Form ESW General Information

What is the purpose of Form ESW?

The purpose of this form is to assist you in calculating your 2010 estimated individual income tax. Estimated tax payments are a method used to pay tax on income that is not subject to withholding. Examples of income that may not be subject to withholding include self-employment, interest, dividends, rents, capital gains, alimony, royalties, etc.

Am I required to make estimated tax payments in 2010?

You are required to make estimated tax payments in 2010 if you expect to owe an income tax liability of at least $500 after you subtract your tax credits and withholding payments.

If you are required to make estimated tax payments, these payments will be the smaller of:

- 100% of your 2009 Montana tax due reported on Form 2, line 53, Form 2M, line 47 or Form 2EZ, line 15; or
- 90% of your 2010 Montana income tax due.

Who is not required to make estimated tax payments?

You are not required to make estimated tax payments in 2010 if you meet one of the following criteria:

- Your 2010 income tax due after credits and withholding is less than $500,
- Your 2009 tax period covered 12 months and your Montana tax due was zero,
- You were not required to file a 2009 Montana income tax return,
- In 2010 you retired and were at least 62 years of age (This exception applies only in the year you retire and for one additional year following the year of retirement), or
- You became disabled in 2010,
- At least 2/3 of your gross income is derived from farming and ranching operations or both. (Montana does not apply a “lookback” provision, in determining farming and ranching gross income), or
- The taxpayer died in 2010.

When are my estimated tax payments due?

When you file your return on a calendar year basis, you may prepay all of your estimated taxes for 2010 by April 15, 2010, or you may pay them in four equal amounts that are due on the dates listed below.

First payment	-	due April 15, 2010
Second payment	-	due June 15, 2010
Third payment	-	due Sept 15, 2010
Fourth payment	-	due Jan 15, 2011

If any of these installment dates fall on a weekend or a holiday, your payment is due on the next business day.

If you file your return on a fiscal year basis, your payment dates are the 15th day of the fourth, sixth, and ninth months of the fiscal year and the first month of the following fiscal year.

I completed my estimated income tax worksheet at the beginning of the year and did not anticipate a change in my income throughout the year. What do I need to do if my income situation changes during the year?

If your tax situation changes during the year, you will need to recalculate your estimated tax payments. Your remaining installment payments will need to be proportionally changed so that the balance of your estimated payments is paid equally over the remaining installment periods.

How can I determine the amount of my estimated withholding that I will have in 2010?

You can use your 2010 paycheck or pension check stubs that you have received to date to estimate the amount of withholding that you may have in 2010.

In addition, don’t forget to include in your payments any 2009 overpayments that are credited to 2010, any backup withholding that may be made on your behalf from a pass-through entity, or your estimated refundable credits, such as the elderly homeowner/renter credit.

I am a nonresident of Montana. Do I have to make estimated tax payments?

As a nonresident or a part-year resident, you are required to make estimated tax payments if you expect to owe at least $500 in Montana income tax after subtracting your Montana withholding paid and credits that you are entitled to.

I did not make estimated tax payments in 2010 and my income tax due is more than $500. Am I subject to any penalties and interest on my underpayment?

Yes, you are. You are required to pay your income tax liability throughout the year. You can make your payments through employer withholding, installment payments of estimated taxes, or a combination of employer withholding and estimated tax payments.

If you did not pay in advance at least 90% of your 2010 income tax liability (after applying your credits) or 100% of your 2009 income tax liability (after applying your credits), you may have to pay interest on the underpayment of your estimated tax.

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