

Receiving an Extension to File

Need more time to file your 2016 tax return?

If you need extra time to file your income tax return, you do not need to apply for an extension. You are granted an automatic extension of time to file your Montana income tax return through October 16, 2017 if one of the following applies to you:

- You paid 90% of your 2016 Montana income tax liability through your estimated tax payments, your withholding tax, or a combination of both, by April 18, 2017;
- You paid 100% of your 2015 Montana income tax liability through your estimated tax payments, your withholding tax, or a combination of both, by April 18, 2017;
- You are a first time filer; or
- You had no taxable income for 2015.

Here's what you should do if you cannot file by April 18, 2017:

- **You are due a refund** — File your return by October 16, 2017. Choose e-file and direct deposit for the fastest refund.
- **You have a balance due** — Pay the amount you owe by April 18, 2017 to avoid penalties and interest. You can pay online, by credit card, or by check with the tax payment voucher located on Form EXT-16. Then file your return by October 16, 2017. Choose e-file to ensure that we receive your return on time.
- **You're not sure if you have a balance due** — Use the worksheet on Form EXT-16 to figure your tax.

Extension for federal returns: The process and dates for requesting a filing extension for your federal return are different. Refer to the IRS website for information.

Estimated Tax Liability

Although the filing extension gives you more time to file your return, it doesn't give you extra time to pay the taxes you owe (unless your 2016 tax liability is \$200 or less). So you must estimate how much you owe and pay the amount due.

Please use the Montana Form EXT-16, 2016 Extension Payment Worksheet, to determine if you have to make an extension payment by April 18, 2017, to qualify for the automatic filing extension. You can get a copy of this form by visiting our website at revenue.mt.gov or calling us toll free at (866) 859-2254 (in Helena, 444-6900).

If you are required to make an extension payment, please use the tax payment voucher found on this worksheet. If paying by personal check, money order, or cashier's check, please make your check payable to the Montana Department of Revenue. Please sign your check, and write your social security number and "Tax Year 2016-EXT" on the memo line.

You can sign up to make your payment online by visiting our website at revenue.mt.gov and going to Online Services. You can pay your extension payment electronically by e-check or credit card. There is no fee for an e-check; a small fee is applied for a credit card payment.

It is important to note that any extension of time to file your Montana income tax return is not an extension of time to pay your income tax liability (unless your 2016 tax liability is \$200 or less). If

you have a valid Montana extension and your 2016 tax liability is more than \$200 but you have not paid your entire 2016 income tax liability by April 18, 2017, you are relieved of the late file penalty but you are not relieved of late payment penalty and interest on your outstanding Montana income tax liability.

If you do not pay the full amount of your 2016 income tax liability by April 18, 2017 and your 2016 tax liability is more than \$200, you will be charged a late payment penalty. This penalty is 1.2% per month (or fraction of a month) on the unpaid tax. This penalty cannot exceed 12% of your tax due.

If you do not pay your tax liability by April 18, 2017 and your 2016 tax liability is more than \$200, you will be charged interest at a rate of 8% per year, accruing daily and beginning on the due date of your return and continuing until your tax is paid.

Special Rules for Active Duty Military

If you are on active duty in the regular armed forces, the Federal Reserve components, or the National Guard of the United States and currently serving in an area designated as a “combat zone” or “contingency operations”, you can obtain both an extension to file and protection from being assessed penalties or interest for paying your taxes late. You must use Form 2 when you do file your tax return. The extension of time to file your Montana tax return is the same for filing your federal tax return. If you are serving in a combat zone or in a contingency operation, you (and your spouse) can extend the filing of your Montana tax return for up to 180 days after your last day in a combat zone (or the last day the area qualifies as a combat zone). If you file within the 180 days, you are not assessed any penalties or interest.

For More Information Please Contact:

Montana Department of Revenue Citizens Services Call Center P.O. Box 5805 Helena, MT 59604-5805 Phone: Toll free (866) 859-2254 (in Helena 444-6900) Fax: (406) 444-6642