

2016 Montana S Corporation Information and Composite Tax Return

Include a complete copy of the federal Form 1120S and all related forms and schedules.

For calendar year 2016 or tax year beginning MMDD2016 and ending MMDDYYYY

- Mark all that apply:
Initial return
Final return
Amended return
Refund return

Name, Mailing Address, City, State, Zip Code + 4, FEIN, Enter number of: Schedules K-1 included, Resident shareholders, Nonresident shareholders, Other types of shareholders

State Incorporated in on MMDDYYYY Federal Business Code/NAICS MT Secretary of State ID # Foreign S corporations: date S corporation obtained certificate of authority from Montana Secretary of State MMDDYYYY

Shareholders' Pro Rata Share of Income Items (Form 1120S, Schedule K)

Table with 11 rows for income items: 1. Ordinary business income (loss), 2. Net rental real estate income (loss), 3a. Other gross rental income (loss), 3b. Expenses from other rental activities, 3c. Subtract line 3b from line 3a, 4. Interest income, 5. Ordinary dividends, 6. Royalties, 7. Net short-term capital gain (loss), 8. Net long-term capital gain (loss), 9. Net section 1231 gain (loss), 10. Other income (loss), 11. Add lines 1 through 10 and enter result.

Shareholders' Pro Rata Share of Deduction Items (Form 1120S, Schedule K)

Table with 14 rows for deduction items: 12a. Section 179 deduction, 12b. Contributions, 12c. Investment interest expense, 12d. Section 59(e)(2) expenditures, 12e. Other deductions, 13. Add lines 12a through 12e and enter result, 14. Subtract line 13 from line 11.

Shareholders' Pro Rata Share of Montana Additions and Deductions to Income

Table with 17 rows for Montana additions and deductions: 15a. Interest and dividends not taxable under the Internal Revenue Code, 15b. Taxes based on income or profits, 15c. Other additions, 16a. Interest on U.S. government obligations, 16b. Deduction for purchasing recycled material, 16c. Other deductions, 17. Add lines 14 and 15, then subtract line 16 from that result.

Apportioned and Allocated Montana Source Income

Table with 3 rows for apportioned and allocated income: 18. Income apportioned to Montana, 19. Income allocated to Montana, 20. Add lines 18 and 19; enter result.



Calculation of Amount Owed or Refund

21. Enter your Montana total composite tax from Schedule III, column E..... 21. [] 00
22. Enter the amount of total pass-through withholding from Schedule III, column F 22. [] 00

Withholding

23. a. Total Montana mineral royalty tax withheld on your behalf (see instructions)....23a. [] 00
b. Mineral royalty tax withheld distributed to shareholders23b. [] 00
c. Subtract 23b from 23a. Montana mineral royalty tax withheld attributable to S corporation.....23c. [] 00
24. a. Total Montana pass-through withholding paid on your behalf (see instructions) ..24a. [] 00
b. Montana pass-through withholding distributed to shareholders24b. [] 00
c. Subtract line 24b from 24a. Montana pass-through withholding attributable to S corporation.24c. [] 00
25. Add lines 23c and 24c. This is the total withholding payments attributable to S corporation. 25. [] 00

Return Payments

26. a. 2015 overpayment applied to 201626a. [] 00
b. 2016 estimated payments.....26b. [] 00
c. 2016 extension payment.....26c. [] 00
d. For amended returns only—payments made with original return26d. [] 00
e. For amended returns only—previously issued refunds (see instructions)26e. [] 00
f. Add lines 26a through 26d, then subtract line 26e. This is your total return payments. 26f. [] 00
27. Add lines 21 and 22, then subtract lines 25 and 26f. This is your amount due or (overpaid)..... 27. [] 00

Penalties and Interest (see instructions)

28. a. S corporation information return late filing penalty28a. [] 00
b. Interest on underpayment of estimated composite tax28b. [] 00
c. Composite income tax return late filing penalty28c. [] 00
d. Late payment penalty28d. [] 00
e. Interest.....28e. [] 00
f. Add lines 28a through 28e. This is your total penalties and interest. 28f. [] 00

Amount Owed or Refund

29. Add lines 27 and 28f..... 29. [] 00
30. If line 29 results in an amount due, enter it here. This is the amount you owe. 30. [] 00

Pay online at revenue.mt.gov. If writing a check, make it payable to MONTANA DEPARTMENT OF REVENUE.

31. If line 29 results in an overpayment, enter it here. This is your overpayment. Enter as a positive number. . 31. [] 00
32. Enter the amount from line 31 that you want applied to your 2017 composite estimated tax32. [] 00
33. Subtract line 32 from line 31 and enter the amount here. This is your refund. 33. [] 00

Direct Deposit Your Refund
1. RTN# [] 2. ACCT# []
3. If using direct deposit, you are required to mark one box. [] Checking [] Savings
4. Is this refund going to an account that is located outside of the United States or its territories? [] Yes [] No

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Officer [X] Date [] Printed Name and Title [] Telephone Number []

Print/Type Preparer's Name [] Preparer's Signature [] Date [] PTIN []
Firm's Name [] Firm's Address [] Telephone Number [] Firm's FEIN []

[] Mark if you do not need Form CLT-4S sent next year. [] May the DOR discuss this tax return with your tax preparer? [] Yes [] No [] Mark this box to receive your Montana extension.



Schedule I – Apportionment Factors for Multistate S Corporations

Enter amounts in columns A and B. Enter percentages in column C.

	A. Everywhere	B. Montana	C. Factor
1. Property Factor: Use average value for real and tangible personal property.			
1a. Land	00	00	00
1b. Buildings	00	00	00
1c. Machinery	00	00	00
1d. Equipment	00	00	00
1e. Furniture and fixtures	00	00	00
1f. Leases and leased property	00	00	00
1g. Inventories	00	00	00
1h. Depletable assets	00	00	00
1i. Supplies and other	00	00	00
1j. Property of foreign subsidiaries included in combined unitary group	00	00	00
1k. Property of unconsolidated subsidiaries included in combined unitary group	00	00	00
1l. Property of pass-through entities included in combined unitary group	00	00	00
1m. Multiply amount of rents by 8 and enter result	00	00	00
Total Property Value add lines 1a through 1m	00	00	00
Divide the total in column B by the total in column A. Multiply the result by 100. This is your property factor.			1. %
2. Payroll Factor:			
2a. Compensation of officers	00	00	00
2b. Salaries and wages	00	00	00
Payroll included in:			
2c. Costs of goods sold	00	00	00
2d. Other expenses and deductions	00	00	00
2e. Payroll of foreign subsidiaries included in combined unitary group	00	00	00
2f. Payroll of unconsolidated subsidiaries included in combined unitary group	00	00	00
2g. Payroll of pass-through entities included in combined unitary group	00	00	00
Total Payroll Value add lines 2a through 2g	00	00	00
Divide the total in column B by the total in column A. Multiply the result by 100. This is your payroll factor.			2. %
3. Sales (Gross Receipts) Factor:			
3a. Gross sales, less returns and allowances	00		
3b. Sales delivered or shipped to Montana purchasers:			
(1) Shipped from outside Montana	3b.(1)	00	00
(2) Shipped from within Montana	3b.(2)	00	00
3c. Sales shipped from Montana to:			
(1) United States government	3c.(1)	00	00
(2) Purchasers in a state where the taxpayer is not taxable	3c.(2)	00	00
3d. Sales other than sales of tangible personal property (e.g. service income)	3d.	00	00
3e. Net gains reported on federal Schedule D and federal Form 4797 ...	3e.	00	00
3f. Other gross receipts (rents, royalties, interest, etc.)	3f.	00	00
3g. Sales (receipts) of foreign subsidiaries included in combined unitary group	3g.	00	00
3h. Sales (receipts) of unconsolidated subsidiaries included in combined unitary group	3h.	00	00
3i. Sales (receipts) of pass-through entities included in combined unitary group	3i.	00	00
3j. Less: All intercompany transactions	3j.	00	00
Total Sales Value add lines 3a through 3j	00	00	00
Divide the total in column B by the total in column A. Multiply the result by 100. This is your sales factor.			3. %
4. Add the percentages on lines 1, 2, and 3 in column C. This is the sum of your factors.			4. %
5. Divide the total percentage on line 4, column C, by the number of factors that can be included in the calculation. If there is a value in column A for a factor category (Property, Payroll or Sales), you should include this factor as part of the calculation (see instructions). Enter the results here and also insert on page 1, line 18 of this form. This is your apportionment factor.			5. %



Schedule II – Montana S Corporation Tax Credits

Type of Credit	Amount of Credit
1. Dependent Care Assistance Credit include Form DCAC	00
2. College Contribution Credit include Form CC	00
3. Health Insurance for Uninsured Montanans Credit include Form HI	00
4. Recycle Credit include Form RCYL	00
5. Alternative Energy Production Credit include Form AEPC	00
6. Contractor's Gross Receipts Tax Credit. If multiple CGR accounts, mark here. <input type="checkbox"/>	
CGR Account ID: <input type="text"/> - <input type="text"/> - CGR	00
7. Alternative Fuel Credit include Form AFCR	00
8. Infrastructure User Fee Credit include Form IUFC	00
9. Historic Property Preservation Credit include federal Form 3468	00
10. Mineral and Coal Exploration Incentive Credit include Forms MINE-CERT and MINE-CRED	00
11. Empowerment Zone Credit.....	00
12. Biodiesel Blending and Storage Credit..... include Form BBSC	00
13. Innovative Educational Program Credit.....	00
14. Student Scholarship Organization Credit.....	00
15. Emergency Lodging Credit..... include Form ELC	00
16. Unlocking Public Lands Credit.....	00
Type of Credit Recapture	Amount of Credit Recapture
17. Historic Property Preservation Credit Recapture.....	00
18. Film Production Credit Recapture.....	00
19. Biodiesel Blending and Storage Credit Recapture.....	00
20. Oilseed Crushing and Biodiesel/Biolubricant Production Credit Recapture.....	00

When attributing any credit or credit recapture from an S corporation to its shareholders, use the same proportion the S corporation used to report each shareholder's income or loss for Montana tax purposes. Include a detailed breakdown that shows each shareholder's share of the credit or credit recapture.

Use Montana Schedule K-1 to notify each shareholder of the amount of credit available to the shareholder.



Schedule III – Montana S Corporation Information

Summary Schedule and Supplemental Information

Complete columns A through D for all shareholders.				Before completing columns E, F or G, read the instructions on page 9.		
A	B	C	D	E	F	G
Name Street Address or PO Box City State Zip Code	Entity Type (see codes below*) and Identification Number (FEIN or SSN)	Residency Code (R/N)	MT Pro Rata Share	Composite Income Tax (from Schedule IV, column H)	Pass-Through Withholding (see instructions)	PT-AGR (year)
1.	Entity Type <input type="text"/>	<input type="checkbox"/> R				
	FEIN <input type="text"/>	<input type="checkbox"/> N	00	<input type="checkbox"/>	00	00
	SSN <input type="text"/>					
2.	Entity Type <input type="text"/>	<input type="checkbox"/> R				
	FEIN <input type="text"/>	<input type="checkbox"/> N	00	<input type="checkbox"/>	00	00
	SSN <input type="text"/>					
3.	Entity Type <input type="text"/>	<input type="checkbox"/> R				
	FEIN <input type="text"/>	<input type="checkbox"/> N	00	<input type="checkbox"/>	00	00
	SSN <input type="text"/>					
4.	Entity Type <input type="text"/>	<input type="checkbox"/> R				
	FEIN <input type="text"/>	<input type="checkbox"/> N	00	<input type="checkbox"/>	00	00
	SSN <input type="text"/>					
5.	Entity Type <input type="text"/>	<input type="checkbox"/> R				
	FEIN <input type="text"/>	<input type="checkbox"/> N	00	<input type="checkbox"/>	00	00
	SSN <input type="text"/>					
6.	Entity Type <input type="text"/>	<input type="checkbox"/> R				
	FEIN <input type="text"/>	<input type="checkbox"/> N	00	<input type="checkbox"/>	00	00
	SSN <input type="text"/>					
7.	Entity Type <input type="text"/>	<input type="checkbox"/> R				
	FEIN <input type="text"/>	<input type="checkbox"/> N	00	<input type="checkbox"/>	00	00
	SSN <input type="text"/>					
8. Enter the totals of columns D, E and F from all pages (see instructions).....			00		00	00

Transfer the total from column E to page 2, line 21 of this form. Transfer the total from column F to page 2, line 22 of this form. Include all additional pages from line 8 with the tax return.

*Column B Entity Type Codes:
E – Estate **I** – Individual **T** – Trust **TE** – Tax-exempt entity

If additional space is needed, make copies of this page.



Schedule IV – Montana S Corporation Composite Income Tax Schedule

<p>Part I. Eligible Participating Shareholders</p> <p>Enter the number of eligible participating shareholders. → <input style="width: 80px; height: 20px;" type="text"/></p> <p>See instructions for more information about eligible participating shareholders.</p>	<p>Part II. Composite Tax Ratio</p> <p>Use the amount in column 3 to complete the calculation in column H below.</p>	1	2	3
		Enter the amount from page 1, line 14 of this form.	Enter the amount from page 1, line 20 of this form.	Divide column 2 by column 1. Do not enter more than 1.000000. <input style="width: 80px; height: 20px;" type="text"/>
		00	00	

Part III. Enter below in columns A through H the required information and amounts for each eligible participating shareholder.

A	B	C	D	E	F	G	H	
Name	Social security number or federal employer identification number	Shareholders' share of federal income from entity	Standard deduction	Exemption \$2,380	Montana taxable income – Subtract columns D and E from column C.	Enter the appropriate tax from the tax table below.	Montana composite income tax. Multiply column G times composite tax ratio from Part II.	
1.		00	00	00	00	00	00	
2.		00	00	00	00	00	00	
3.		00	00	00	00	00	00	
4.		00	00	00	00	00	00	
5.		00	00	00	00	00	00	
6.		00	00	00	00	00	00	
7.		00	00	00	00	00	00	
8.		00	00	00	00	00	00	
9.		00	00	00	00	00	00	
10.		00	00	00	00	00	00	
11.	Enter the total composite tax from all additional pages, if used						11.	00
Add column H, lines 1 through 11. This is your total composite income tax liability.							00	

Transfer the amounts from column H to page 5, Schedule III, column E.



If additional space is needed, make copies of this page. Include all additional pages from line 11 with the tax return.

If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax
\$0	\$2,900	1% (0.010)	\$0	
\$2,900	\$5,100	2% (0.020)	\$29	
\$5,100	\$7,800	3% (0.030)	\$80	
\$7,800	\$10,500	4% (0.040)	\$158	
\$10,500	\$13,500	5% (0.050)	\$263	
\$13,500	\$17,400	6% (0.060)	\$398	
More Than \$17,400		6.9% (0.069)	\$555	

Schedule VI – Reporting of Special Transactions

Complete Schedule VI only if your small business corporation filed any of the federal forms described below. Mark the appropriate box indicating which form(s) you filed with the Internal Revenue Service for this tax year. If your answer is "Yes" to one or more of these forms, you need to include a complete copy of your federal tax return Form 1120S.

1. The S corporation filed federal **Form 8918 – Material Advisor Disclosure Statement** with the Internal Revenue Service. Yes

Material advisors to any reportable transactions must file Form 8918.

2. The S corporation filed federal **Form 8824 – Like-Kind Exchanges** with the Internal Revenue Service. Yes

NOTE: Mark the 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.

Use Form 8824 to report each exchange of business or investment property for property of a like-kind.

3. The S corporation filed federal **Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships** with the Internal Revenue Service. Yes

Use Form 8865 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. The S corporation filed federal **Form 8886 – Reportable Transaction Disclosure Statement** with the Internal Revenue Service. Yes

Use Form 8886 to disclose information for each reportable transaction in which you participated.

5. The S corporation filed federal **Form 8023 – Elections Under Section 338 for Corporations Making Qualified Stock Purchases** with the Internal Revenue Service. Yes

Use Form 8023 to report elections under IRC 338 made by a purchasing corporation for a target corporation in a qualified stock purchase (QSP). In the case of a target S corporation acquisition under IRC 338(h)(10), the election must be made by all of the shareholders of a target S corporation, including those who do not sell their stock in the event of a QSP transaction.

Complete this section if you made a disbursement to a related party.

6. **During this tax year, the S corporation made payments to one or more related parties (excluding salary compensation) that exceed \$100,000 per recipient.** Yes

If you answer "Yes" to this question, provide the name and federal employer identification number of each related party below and the amount that you paid to each related party:

Name	FEIN	Amount of Payment	
			00
			00
			00



DRAFT
November 17, 2016