

# 2016 Montana Income Tax Return for Estates and Trusts

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**Form FID-3**

Include a complete copy of the federal Form 1041 and all related forms and schedules.

For calendar year 2016 or tax year beginning 

M	M	D	D	2	0	1	6
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 and ending 

M	M	D	D	Y	Y	Y	Y
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**Mark all that apply.**

- Initial return
- Final return
- Amended return
- Refund return
- NOL carryback
- Estate or filing trust made a Sec. 645 election

Name of Estate or Trust		FEIN	
Name and Title of Fiduciary		Date Entity Created	
Mailing Address		Enter number of:	
City		Schedules K-1 included	
State		Resident beneficiaries	
Zip Code + 4		Nonresident beneficiaries	
		Other types of beneficiaries	

**Entity Type. Mark all that apply.**

- Decedent's estate
- Simple trust
- Complex trust
- Qualified disability trust
- ESBT
- Grantor type trust
- Bankruptcy estate (Chapter 7)
- Bankruptcy estate (Chapter 11)
- Pooled income fund
- Qualified funeral trust
- Other

**Residency Status**

- Resident
  - Nonresident
  - Resident part-year
  - State moved to
  - State moved from
- Date of change

Enter amounts on lines 1 through 17 corresponding to your federal return. Round to the nearest dollar. If no entry, leave blank.

<b>Income</b>	1 Interest income	1	00
	2 Ordinary dividends	2	00
	3 Business income or (loss). Federal Business Code/NAICS	3	00
	4 Capital gain or (loss)	4	00
	5 Rents, royalties, partnerships, other estates and trusts, etc.	5	00
	6 Farm income or (loss)	6	00
	7 Ordinary gain or (loss)	7	00
	8 Other income. List type _____ and amount	8	00
	9 Add lines 1 through 8. <b>Total federal income</b>	9	00
Line 9 must equal the total income reported on federal Form 1041 (see instructions for Electing Small Business Trust).			
<b>Deductions and Exemption</b>	10 Interest	10	00
	11 Taxes (do not include federal income tax deduction)	11	00
	12 Fiduciary fees	12	00
	13 Charitable deduction	13	00
	14 Attorney, accountant, and return preparer fees	14	00
	15a Other deductions not subject to the 2% floor (include schedule)	15a	00
	15b Allowable miscellaneous itemized deductions subject to 2% floor	15b	00
	16 Add lines 10 through 15b	16	00
	17 Federal adjusted total income or (loss). Subtract line 16 from line 9. (The amount on this line must equal federal Form 1041, line 17.)	17	00
	18 Montana additions from Schedule A, line 9	18	00
	19 Montana deductions and subtractions from Schedule B, line 10	19	00
	20 Add lines 17 and 18, then subtract line 19. <b>Montana adjusted total income or (loss)</b>	20	00
	21 Montana income distribution deduction from Schedule C, line 13, but not less than zero	21	00
	22 Exemption	22	2380
	23 Add lines 21 and 22. <b>Total Montana income distribution deduction and exemption</b>	23	00
24 Subtract line 23 from line 20. <b>Montana taxable income</b>	24	00	







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**Schedule B – Schedule of Deductions/Subtractions**

1	Federal income tax deduction .....	1		00
2	Exempt interest and mutual fund dividends from federal bonds, notes, and other obligations .....	2		00
3	State tax refunds included on Form FID-3, line 8 .....	3		00
4	Other recoveries of amounts deducted in earlier years that did not reduce Montana taxable income .....	4		00
5	Partial pension and annuity income exemption (see worksheet and instructions) .....	5		00
6	Subtraction for federal taxable U.S. Railroad Retirement Board benefits (Tier I and Tier II) .....	6		00
7	Expenses allocated to other states' interest and mutual fund dividends .....	7		00
8	Montana net operating loss carryover from Montana Form NOL (see instructions) .....	8		00
9	Other subtractions. List type _____ and amount 9	9		00
10	<b>Total deductions/subtractions</b> (add lines 1 through 9). Enter the total on Form FID-3, line 19 .....	10		00

**Schedule C – Montana Distributable Net Income (MDNI) and Montana Income Distribution Deduction (MIDD)**

1	Montana adjusted total income or (loss) from Form FID-3, line 20. If Montana adjusted total income AND the total from Form FID-3, line 4 are losses, use the smaller loss .....	1		00
2a	Add: Federal tax exempt income (gross) .....	2a	00	
2b	Less: Expenses allocated to federal tax exempt income .....	2b	00	
2c	Add: Income from federal obligations that is tax exempt for Montana .....	2c	00	
2d	Less: Expenses allocated to income from federal obligations that are tax exempt for Montana .....	2d	00	
2e	Add: Expenses allocated to non-Montana municipal income taxable to Montana .....	2e	00	
2f	Less: Non-Montana municipal income taxable to Montana .....	2f	00	
2	Montana adjusted tax exempt interest income .....	2		00
3a	Enter the amount from federal Form 1041, Schedule B, line 3 .....	3a	00	
3b	Enter the amount from federal Form 1041, Schedule B, line 4 .....	3b	00	
3c	Enter the amount from federal Form 1041, Schedule B, line 5 .....	3c	00	
3	Total net capital gains. Add lines 3a through 3c .....	3		00
4	If the amount on Form FID-3, line 4 is a gain, enter as a negative number. If the amount on Form FID-3, line 4 is a loss, enter the loss as a positive number .....	4		00
5	Montana distributable net income. Combine lines 1 through 4. If zero or less, enter zero .....	5		00
6	If a complex trust, enter the accounting income for the tax year as determined under the governing instrument .....	6	00	
7	Income required to be distributed currently .....	7		00
8	Other amounts paid, credited or otherwise required to be distributed .....	8		00
9	Actual total distributions for the year. Add lines 7 and 8 .....	9		00
10	Tax exempt income included in actual distributions included on line 9 .....	10		00
11	Tentative income distribution deduction based on actual distributions. Subtract line 10 from line 9 .....	11		00
12	Tentative income distribution deduction. Subtract line 2 from line 5. If zero or less, enter zero .....	12		00
13	<b>Montana income distribution deduction.</b> Enter the smaller of line 11 or line 12 and on Form FID-3, line 21. If zero or less, enter zero .....	13		00



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**Schedule D – Beneficiaries and Montana Income Distributions**

List name and address of each beneficiary receiving distributions reported on Form FID-3, line 21. If more than 10 beneficiaries, see instructions.

A		B		C	D
Beneficiary Information: Name Street Address City State Zip Code		Identification Number		Residency Status	Montana Income Distribution Received by Beneficiary
1				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
2				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
3				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
4				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
5				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
6				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
7				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
8				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
9				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
10				<input type="checkbox"/> Resident	
		SSN		<input type="checkbox"/> Resident part-year	
		FEIN		<input type="checkbox"/> Nonresident	00
<b>Total</b>					00

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August 31, 2016



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**Schedule E – Capital Gains Tax Credit Calculation**

1	Enter the capital gain or (loss) from Form FID-3, line 4.....	1		00
2	Enter the net capital gains reported on federal Form 1041, Schedule D, Part III, line 19 column (1) Beneficiaries.....	2		00
3	Subtract line 2 from line 1. Net capital gains eligible for the credit.....	3		00
4	Multiply line 3 by 2% (.02). <b>Allowable capital gains tax credit.</b> Enter on Form FID-3, line 27.....	4		00

**Schedule F – Nonresident/Resident Part-Year Estate and Trust Tax**

		A	B	
		Total income	Montana source income included in column A	
1	Interest income.....	1	00	00
2	Ordinary dividends.....	2	00	00
3	Business income or (loss).....	3	00	00
4	Capital gain or (loss).....	4	00	00
5	Rental real estate, royalties, partnerships, S corporations, other estates and trusts, etc.....	5	00	00
6	Farm income or (loss).....	6	00	00
7	Ordinary gain or (loss).....	7	00	00
8	Other income.....	8	00	00
9	Interest and mutual fund dividends from other states' state, county or municipal bonds.....	9	00	00
10	Dividends not included in total federal income.....	10	00	00
11	Taxable federal refund.....	11	00	00
12	Other recoveries of amounts deducted in earlier years that reduced Montana taxable income.....	12	00	00
13	Other additions.....	13	00	00
14	Add lines 1 through 13 and enter the result here. <b>Column B is the estate or trust's Montana source income.</b> ....	14	00	00
15	Divide the amount in column B, line 14 above by the amount in column A, line 14 above and enter result here. Round to 6 decimal places and do not enter more than 1.000000.....	15		<input type="text"/> . <input type="text"/>
16	Enter the resident tax after capital gains tax credit reported on Form FID-3, line 28.....	16		00
17	Multiply the tax on line 16 by the percentage on line 15 and enter here and on Form FID-3, line 28a. <b>Estate or trust nonresident/resident part-year tax after capital gains tax credit.</b> .....	17		00

Schedule F applies to nonresident and resident part-year estates and trusts only. The fiduciary will use this schedule to compute the ratio of Montana source income to total income. This ratio is then multiplied by the resident tax from FID-3, line 28 to determine the nonresident or resident part-year tax to be reported on FID-3, line 28a.

**Column A** – Enter on lines 1 through 13 the total income from Form FID-3, lines 1 through 8 and Schedule A (see instructions).

**Column B** – Enter on lines 1 through 13 the Montana source income from Form FID-3, lines 1 through 8 and Schedule A (see instructions).

**How does a nonresident estate or trust determine its Montana source income?**

For further information and a line-by-line description of Montana source income, refer to Form FID-3, Schedule F instructions beginning on page 11.





12 empty boxes for FEIN



### Schedule H – Reporting of Special Transactions

Complete Schedule H only if the estate or trust filed any of the federal income tax forms described below. Mark the appropriate box indicating which form the estate or trust filed with the Internal Revenue Service for this tax year. If your answer is "Yes" to one or more of these forms, include a complete copy of the federal Form 1041.

1 The estate or trust filed federal **Form 8918 – Material Advisor Disclosure Statement** with the Internal Revenue Service .....  Yes  
Material advisors are required to file Form 8918 for any reportable transactions.

2 The estate or trust filed federal **Form 8824 – Like-Kind Exchanges** with the Internal Revenue Service.....  Yes  
NOTE: Mark the box if the 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 estate or trust 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 estate or trust 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 the estate or trust participated.

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