

2017 Montana Income Tax Return for Estates and Trusts

Form FID-3

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

For calendar year 2017 or tax year beginning

M	M	D	D	2	0	1	7
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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 State Zip Code + 4		Schedules K-1 included	
		Resident beneficiaries	
		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.

Income	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. Total federal income.	9	00
Line 9 must equal the total income reported on federal Form 1041 (see instructions for Electing Small Business Trust).			
Deductions and Exemption	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. Montana adjusted total income or (loss).	20	00
	21 Montana income distribution deduction from Schedule C, line 13, but not less than zero	21	00
	22 Exemption	22	2400
	23 Add lines 21 and 22. Total Montana income distribution deduction and exemption.	23	00
24 Subtract line 23 from line 20. Montana taxable income.	24	00	



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Taxes and Credits	25	Montana taxable income from line 24.....	25	00
	26	Tax from the tax table. If line 25 is zero or less, enter zero	26	00
	27	2% capital gains tax credit on undistributed capital gains from Schedule E, line 4	27	00
	28	Subtract line 27 from line 26. If zero or less, enter zero. Resident tax after capital gains tax credit.	28	00
	28a	Nonresident, resident part-year tax after capital gains credit from Schedule F, line 17, but not less than zero	28a	00
	29	Tax on lump sum distributions	29	00
	30	Add line 28 or 28a and line 29. Total tax.	30	00
	31	Credit for taxes paid to other states or countries (see instructions on page 3)	31	00
	32	Other nonrefundable credits. List credit form(s)	32	00
	33	Add lines 31 and 32. Total nonrefundable credits.	33	00
Payments and Refundable Credits	34	Subtract line 33 from line 30. If zero or less, enter zero	34	00
	35	Endowment credit recapture tax.....	35	00
	36	Add lines 34, 35 and the ESBT tax liability from Schedule G, line 12. Tax liability.	36	00
	37a	Total Montana income tax withheld. Include federal Forms W-2 and 1099	37a	00
	37b	Montana income tax withheld allocated to beneficiaries	37b	00
	37	Subtract line 37b from 37a. Montana income tax withheld allocable to the estate or trust.	37	00
	38a	Total Montana pass-through entity withholding. Include Montana Schedule(s) K-1.....	38a	00
	38b	Montana pass-through entity withholding allocated to beneficiaries	38b	00
	38	Subtract line 38b from 38a. Montana pass-through entity withholding allocable to the estate or trust.	38	00
	Tax	39a	Total Montana mineral royalty tax withheld. Include federal Forms 1099 and supporting schedules if any.....	39a
39b		Mineral royalty tax withheld allocated to beneficiaries.....	39b	00
39		Subtract line 39b from 39a. Mineral royalty tax withheld allocable to the estate or trust.	39	00
40		2017 estimated tax payments and amount applied from the 2016 return	40	00
41		2017 extension payments.....	41	00
Penalties and Interest	42	Refundable credits. List credit form(s)	42	00
	43	Add lines 37 through 42. Total payments and refundable credits.	43	00
	44	If line 36 is greater than line 43, subtract line 43 from line 36. Tax due.	44	00
	45	If line 43 is greater than line 36, subtract line 36 from line 43. Tax overpaid.	45	00
	46	Interest on underpayment of estimated taxes (see instructions on page 5).....	46	00
	47	Late file, late payment penalties and interest (see instructions and table on page 5).....	47	00
	48	Other penalties (see instructions on page 5).....	48	00
	49	Add the amounts on lines 46 through 48. Total penalties and interest.	49	00

Continue to page 3 for the calculation of the amount the entity owes or its refund.

2017 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	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		\$10,600	\$13,600	5% (0.050)	\$266	
\$2,900	\$5,200	2% (0.020)	\$29		\$13,600	\$17,600	6% (0.060)	\$402	
\$5,200	\$7,900	3% (0.030)	\$81		More Than \$17,600		6.9% (0.069)	\$560	
\$7,900	\$10,600	4% (0.040)	\$160						

For example: Taxable income \$6,800 X 3% (0.030) = \$204. \$204 minus \$81 = \$123 tax

Questions? Call us at (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.



FEIN

Grid for FEIN entry

Table with 3 columns: Description, Amount, and Refund/Overpayment. Rows include lines 50, 51, 52, and 53.

Direct Deposit Your Refund

Complete 1, 2, 3 and 4 (see instructions).

- 1. RTN# 2. ACCT# 3. If using direct deposit, the estate or trust is required to mark one box. 4. Is this refund going to an account that is located outside of the United States or its territories?

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 and identification section including fields for Signature of Fiduciary, Date, FEIN of Fiduciary, Telephone Number, Preparer's Name, Signature, Date, PTIN, Firm's Name, FEIN, and Address.

May the DOR discuss this return with the tax preparer? Yes No

Send your completed Form FID-3 to: Montana Department of Revenue PO Box 8021 Helena, MT 59604-8021



See electronic options at revenue.mt.gov

Schedule A – Schedule of Additions

Table with 3 columns: Description, Line Number, and Amount. Rows include interest/dividends, federal refund, taxes paid, expenses, and total additions.



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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	Total deductions/subtractions (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	Montana income distribution deduction. 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 checked="" 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
Total					00

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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	If line 3 is greater than \$0, multiply line 3 by 2% (.02). If line 3 is less than or equal to \$0, enter \$0. Allowable capital gains tax credit. Enter on Form FID-3, line 27.....	4	00

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

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



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Schedule G – Electing Small Business Trust Tax Calculation

1	Total federal adjusted ESBT income (include federal schedule)	1		00
2a	Montana additions to ESBT income (include statement).....2a		00	
2b	Montana deductions to ESBT income (include statement).....2b		00	
2	Subtract line 2b from 2a	2		00
3	Add lines 1 and 2. Montana adjusted ESBT income	3		00
4	Tax from tax table. If line 3 is zero or less, enter zero	4		00
5a	Net capital gains reported on line 3	5a		00
5	Multiply line 5a by 2%. Capital gains tax credit	5		00
6	Subtract line 5 from line 4. If zero or less, enter zero. Resident tax after capital gains tax credit	6		00
<i>If a resident or resident part-year trust, complete lines 7a and 7. If a nonresident trust, skip lines 7a and 7.</i>				
7a	Enter the total credit for income taxes paid to another state or country (see instructions)...7a		00	
7	Subtract line 7a from line 6.....	7		00
<i>If a nonresident or resident part-year trust, complete lines 8a through 8c and 8. If a resident trust, skip lines 8a through 8c and 8.</i>				
8a	Enter the amount from lines 1 and 2a	8a		00
8b	Enter the Montana source income reported on line 3. Include Montana Schedule(s) K-1 ...8b			00
8c	Divide the amount on line 8b by the amount on line 8a (round to 6 decimal places)	8c		
8	Multiply the amount on line 8c by line 6 if a nonresident trust. Multiply the amount on line 8c by line 7 if a resident part-year trust. Nonresident or resident part-year trust tax after capital gains tax credit	8		00
9	Tax on lump sum distributions	9		00
10	Endowment credit recapture tax.....	10		00
11	Other nonrefundable credits. List credit form(s)	11		00
12	If a resident trust, add lines 7, 9 and 10. If a nonresident or resident part-year trust add lines 8 through 10. Subtract line 11 from the result. If zero or less, enter zero. Enter here and on Form FID-3, line 36. ESBT tax liability	12		00

September 14, 2017



Grid for FEIN entry

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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September 14, 2017

