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Schedule I – Montana Additions to Federal Adjusted Gross Income

Enter your additions to federal adjusted gross income on the corresponding line.

File Schedule I with your Montana Form 2.

	Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
1 Interest and mutual fund dividends from state, county or municipal bonds from other states.....	00	00
2 Dividends not included in federal adjusted gross income.....	00	00
3 Recovery of federal income tax paid in 2016. Complete Worksheet II on page 44.....	00	00
4 Other recoveries of amounts deducted in earlier years that reduced Montana taxable income. Complete Worksheet IX (available at revenue.mt.gov).....	00	00
5 Addition to federal taxable social security benefits. Complete Worksheet VIII on page 48.....	00	00
6 Sole proprietor's allocation of compensation to spouse.....	00	00
7 Medical care savings account nonqualified withdrawals.....	00	00
8 First-time home buyer savings account nonqualified withdrawals.....	00	00
9 Farm and ranch risk management account taxable distributions.....	00	00
10 Addition for dependent care assistance credit adjustment.....	00	00
11 Addition for smaller federal estate and trust taxable distributions.....	00	00
12 Federal net operating loss carryover reported on Form 2, line 21.....	00	00
13 Share of federal income taxes paid by your S corporation.....	00	00
14 Title plant depreciation and amortization.....	00	00
15 Other additions. Specify: <input type="text"/>	00	00
16 Add lines 1 through 15. Enter the total here and on Form 2, line 39. This is your total Montana additions to federal adjusted gross income.	00	00

DRAFT August 15, 2017

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
\$0	\$2,900	1% (0.010)	\$0	
\$2,900	\$5,200	2% (0.020)	\$29	
\$5,200	\$7,900	3% (0.030)	\$81	
\$7,900	\$10,600	4% (0.040)	\$160	
\$10,600	\$13,600	5% (0.050)	\$266	
\$13,600	\$17,600	6% (0.060)	\$402	
More Than \$17,600		6.9% (0.069)	\$560	

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

\$204 minus \$81 = \$123 tax



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Schedule II – Montana Subtractions from Federal Adjusted Gross Income

Enter your subtractions from federal adjusted gross income on the corresponding line.

File Schedule II with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

	Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
1	00	00
2	00	00
3	00	00
4	00	00
5	00	00
6	00	00
7	00	00
8	00	00
9	00	00
10	00	00
11	00	00
12	00	00
13	00	00
14	00	00
15	00	00
16	00	00
17	00	00
18	00	00
19	00	00
20	00	00
21	00	00
22	00	00
23	00	00
24	00	00
25	00	00
26	00	00
27	00	00
28	00	00
29	00	00
30	00	00
31	00	00
32	00	00
33	00	00
34	00	00
35	00	00
36	00	00



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Schedule III – Montana Itemized Deductions

Enter your itemized deductions on the corresponding line.

File Schedule III with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

1	Medical and dental expenses	1		00		00
2	Enter the amount from Form 2, line 41	2		00		00
3	Multiply line 2 by 10% (0.10). (see instructions on page 23)	3		00		00
4	Subtract line 3 from line 1 and enter the result here, but not less than zero. This is your deductible medical and dental expense subject to a percentage of Montana Adjusted Gross Income	4		00		00
5	Medical insurance premiums not deducted elsewhere on your return	5		00		00
6	Long-term care insurance premiums not deducted elsewhere on your return	6		00		00

Complete lines 7a through 7d reporting your total federal income tax payments made in 2017 before completing line 7e. You cannot deduct your self-employment taxes paid on lines 7a through 7d.

7a	Federal income tax withheld in 2017	7a		00		00
7b	Federal estimated tax payments paid in 2017	7b		00		00
7c	2016 federal income taxes paid in 2017	7c		00		00
7d	Other back year federal income taxes paid in 2017. Include federal Form 1040 or 1040A	7d		00		00
7e	Add lines 7a through 7d and enter the result here, but not more than \$5,000 if you are filing single, head of household, or married filing separately; or \$10,000 if filing a joint return with your spouse. This is your federal income tax deduction.	7e		00		00
8	General state and local sales taxes paid in 2017 (Caution – see instructions on page 25)	8		00		00
9	Local income taxes paid in 2017 (see instructions on page 25)	9		00		00
10	Real estate taxes paid in 2017	10		00		00
11	Personal property taxes paid in 2017 (see instructions on page 25)	11		00		00
12	Other deductible taxes paid in 2017. List type and amount:	12		00		00
13	Home mortgage interest and points. If paid to the person from whom you bought the house, provide their name, social security number, and address:	13		00		00
14	Qualified mortgage insurance premiums (Caution – see instructions on page 25)	14		00		00
15	Investment interest. Include federal Form 4952	15		00		00
16	Charitable contributions made by cash or check during 2017	16		00		00
17	Charitable contributions made by other than cash or check during 2017	17		00		00
18	Charitable contribution carryover from the prior year	18		00		00
19	Child and dependent care expenses. Include Montana Form 2441-M	19		00		00
20	Casualty or theft losses. Include federal Form 4684	20		00		00
21	Unreimbursed employee business expenses. Include federal Form 2106 or 2106-EZ	21		00		00
22	Other expenses. List type and amount:	22		00		00
23	Add lines 21 and 22	23		00		00
24	Enter the amount from Form 2, line 41	24		00		00
25	Multiply line 24 by 2% (0.02)	25		00		00
26	Subtract line 25 from line 23 and enter the result here, but not less than zero	26		00		00
27	Political contributions (limited to \$100 per taxpayer)	27		00		00
28	Other miscellaneous deductions not subject to 2% of Montana AGI. List type and amount:	28		00		00
29	Gambling losses allowed under federal law	29		00		00
30	Is the amount on Form 2, line 41 more than \$313,800 if filing jointly, \$287,650 if filing head of household, \$261,500 if filing single or \$156,900 if married filing separately? If yes, mark this box <input type="checkbox"/> and complete Worksheet VI-IDL. Otherwise, add lines 4 through 6, 7e through 20; and 26 through 29 and enter result here and on Form 2, line 42. This is your total itemized deductions.	30		00		00



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Schedule IV – Nonresident/Part-Year Resident Tax

On lines 1 through 15, enter your Montana source income that is included in Montana adjusted gross income on Form 2, lines 7 through 21. Also include Montana source additions and subtractions from Schedules I and II.

File Schedule IV with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

1	Montana wages, salaries, tips, etc.	1	00	00
2	Montana interest.....	2	00	00
3	Montana ordinary dividends	3	00	00
4	Montana refunds, credits, or offsets of local income taxes.....	4	00	00
5	Montana alimony received.....	5	00	00
6	Montana business income or (loss).....	6	00	00
7	Montana capital gain or (loss)	7	00	00
8	Other Montana gains or (losses)	8	00	00
9	Montana IRA distribution	9	00	00
10	Montana pensions and annuities.....	10	00	00
11	Montana rental real estate, royalties, partnerships, S corporations, trust, etc.....	11	00	00
12	Montana farm income or (loss).....	12	00	00
13	Montana social security benefits	13	00	00
14	Any other Montana income (see instructions)	14	00	00
15	Montana source additions to income reported on Form 2, Schedule I (do not include net operating losses reported on Schedule I, line 12)	15	00	00
16	Add lines 1 through 15 and enter the result here. This is your Montana source income. ..	16	00	00
17	Enter the total of your federal income from Form 2, line 22	17	00	00
18	Enter your Montana additions from Form 2, Schedule I, line 16	18	00	00
19	Enter your Montana subtractions from Form 2, Schedule II, line 36	19	00	00
20	Enter your net operating losses from Form 2, Schedule II, line 28 ...	20	00	00
21	Subtract line 20 from line 19.....	21	00	00
22	Add lines 17 and 18, and subtract line 21. This is your total income from all sources. ...	22	00	00
23	Divide the amount on line 16 by the amount on line 22 and enter the result here. Round to 6 decimal places and do not enter more than 1.000000	23		
24	Enter your resident tax after capital gains tax credit from Form 2, line 48	24	00	00
25	Multiply the tax on line 24 by the percentage on line 23 and enter the result here and on Form 2, line 48a. This is your nonresident, part-year resident tax after capital gains tax credit.	25	00	00

How do I determine what qualifies as my Montana source income when I am a nonresident of Montana?

In general, as a nonresident of Montana, your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property located in Montana, and income that you receive from business conducted in Montana.

How do I determine my Montana source income when I am a part-year resident of Montana?

As a part-year resident, you are considered a resident for part of the year and a nonresident for the other part of the year.

In general, for the part of the year that you are a nonresident, your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property that is located in Montana, and income that you receive from business conducted in Montana.

For the part of the year that you are a resident, all of your income that you receive, no matter where you earn it, is Montana source income.

Where can I find additional information on what is included in my Montana source income?

For additional information and a line-by-line description of what Montana source income is, refer to Form 2, Schedule IV instructions beginning on [page 27](#).



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Schedule V – Montana Tax Credits

Enter your Montana tax credits on the corresponding line.

File Schedule V with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

Nonrefundable credits that are single-year credits and HAVE NO carryover provision

1	Credit for an income tax liability paid to another state or country from Form 2, Schedule VI, line 10	00	00
2	College contribution credit. Include Form CC	00	00
3	Qualified endowment credit. Include Form QEC	00	00
4	Energy conservation installation credit. Include Form ENRG-C	00	00
5	Alternative fuel credit. Include Form AFCR	00	00
6	Health insurance for uninsured Montanans credit. Include Form HI	00	00
7	Elderly care credit. Include Form ECC	00	00
8	Recycle credit. Include Form RCYL	00	00
9	Innovative educational program credit	00	00
10	Student scholarship organization credit	00	00

Nonrefundable credits that HAVE a carryover provision

11	Biodiesel blending and storage credit. Include Form BBSC	00	00														
12	Contractor's gross receipts tax credit. If multiple CGR accounts, mark here. <input type="checkbox"/> CGR Account ID: <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> - <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td><td> </td><td> </td></tr></table> - C G R															00	00
13	Geothermal systems credit. Include Form ENRG-A	00	00														
14a	Alternative energy systems credit. Recognized nonfossil form of energy generation. Include Form ENRG-B	00	00														
14b	Alternative energy systems credit. Low emission wood or biomass combustion device. Include Form ENRG-B	00	00														
15	Alternative energy production credit. Include Form AEPC	00	00														
16	Dependent care assistance credit. Include Form DCAC	00	00														
17	Historic property preservation credit. Include federal Form 3468	00	00														
18	Infrastructure users fee credit. Include Form IUFC	00	00														
19	Empowerment zone credit	00	00														
20	Increasing research activities credit. Include a detailed schedule of the credit carryforward	00	00														
21	Mineral and coal exploration incentive credit. Include Form MINE-CRED	00	00														
22	Adoption credit. Include federal Form 8839	00	00														
23	Add lines 1 through 22 and enter the result here and on Form 2, line 51. This is your total nonrefundable credits	00	00														

Refundable credits

24	Elderly homeowner/renter credit. Include Form 2EC	00	00
25	Emergency lodging credit. Include Form ELC	00	00
26	Unlocking public lands credit	00	00
27	Add lines 24 through 26 and enter the result here and on Form 2, line 60. This is your total refundable credits	00	00

Montana Tax Credits

We have listed the 25 Montana tax credits available to you under three categories. With the exception of the capital gains tax credit, which you must apply before any other credit, you are not required to apply any of these 25 tax credits against your income tax liability in any particular order. For more information about these tax credits, see the instructions on [page 31](#).



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Schedule VI – Credit for an Income Tax Liability Paid to Another State or Country

Indicate residency status from Form 2, line 5 Full-year Part-year

File Schedule VI with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

1	Enter your income sourced and taxable to another state or country (see instructions) that is included in Montana adjusted gross income. If a full-year resident, this is the amount included in the total on Form 2, line 41. If a part-year resident, this is the amount included in the total on Schedule IV, line 16.....	00	00												
2	Enter all income sourced and taxable to the other state or country. Indicate state's abbreviation. <table border="1" style="display: inline-table; margin-right: 20px;"><tr><td></td><td></td></tr></table> <table border="1" style="display: inline-table;"><tr><td></td><td></td></tr></table>					00	00								
3	Enter your income sourced and taxable to Montana. If a full-year resident, enter the amount from Form 2, line 41. If a part-year resident, enter the amount from Schedule IV, line 16.....	00	00												
4	Enter your total income tax liability paid to the other state or country (see instructions on page 36).....	00	00												
5	Enter your Montana tax liability. If a full-year resident, enter the amount from Form 2, line 48. If a part-year resident, enter the amount from Form 2, line 48a	00	00												
6	Divide line 1 by line 2. Enter the percentage here, but not more than 100%	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td></tr></table> . <table border="1" style="display: inline-table;"><tr><td></td><td></td></tr></table> %							<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td></tr></table> . <table border="1" style="display: inline-table;"><tr><td></td><td></td></tr></table> %						
7	Multiply line 4 by line 6 and enter the result here (when calculating a credit for taxes paid to another country see instructions).....	00	00												
8	Divide line 1 by line 3. Enter the percentage here, but not more than 100%	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td></tr></table> . <table border="1" style="display: inline-table;"><tr><td></td><td></td></tr></table> %							<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td></tr></table> . <table border="1" style="display: inline-table;"><tr><td></td><td></td></tr></table> %						
9	Multiply line 5 by line 8 and enter the result here	00	00												
10	Enter here and on Form 2, Schedule V, line 1 the smaller of the amounts reported on lines 4, 7 or 9 above. This is your credit for income tax paid to another state or country.	00	00												

- You are not entitled to a Montana tax credit for taxes paid to a foreign country to the extent you claimed these taxes as a foreign tax credit on your federal income tax return.
- If you claim this credit for an income tax paid by your S corporation or partnership, see the instructions for Form 2, Schedule V, line 1 on page 32.
- Your credit is limited to a tax liability paid on income that is also taxed by Montana.
- Your income tax paid includes your share of any excise or franchise taxes paid by your S corporation or partnership if they are imposed on the entity itself and measured by the entity's net income.
- This is a nonrefundable credit and cannot reduce your Montana tax liability below zero.
- This is a nonrefundable single-year credit. No unused credit amount can be carried forward.
- You need to complete a separate Schedule VI for each state or country to which you have paid an income tax liability. You cannot combine payments on one schedule.
- If you are a part-year resident, you need to allocate your income on Form 2, Schedule IV before completing Form 2, Schedule VI.

August 15, 2017



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Schedule VIII – Special Transactions, NOL Election and Amended Return Information
 File Schedule VIII with your Montana Form 2.

Part I. Reporting of Special Transactions

Complete this part only if you and/or your spouse filed any of the federal income tax forms described below. Mark the appropriate box indicating which forms you filed with the Internal Revenue Service (IRS) 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 income tax return Form 1040.

Mark "Yes" if you filed any of the following forms with the Internal Revenue Service.

- | | | | |
|---|---|-----|--------------------------|
| 1 I filed federal Form 8824 – Like-Kind Exchanges with the IRS | 1 | Yes | <input type="checkbox"/> |
| NOTE: Mark "Yes" 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. | | | |
| 2 I filed federal Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships with the IRS | 2 | Yes | <input type="checkbox"/> |
| 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). | | | |
| 3 I filed federal Form 8886 – Reportable Transaction Disclosure Statement with the IRS | 3 | Yes | <input type="checkbox"/> |
| Use Form 8886 to disclose information for each reportable transaction in which you participated. | | | |

Part II. Net Operating Loss (NOL) Carryback Election and Special Carryback Period

Check here if you elect to forgo the carryback of a 2017 NOL. You have to make this election by the due date (including extension) for filing your 2017 income tax return. If you forgo the carryback of a 2017 NOL, report the amount from Montana Form NOL, Schedule A, line 25 on the appropriate line on the 2018 Form 2, Schedule II

If you are allowed a longer carryback period check the appropriate number of years.

Example: You are a farmer who is eligible for a five-year carryback

<input type="checkbox"/> 3 years	<input type="checkbox"/> 5 years	<input type="checkbox"/> 10 years
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Part III. Amended Return. Check the appropriate box(es).

- a. NOL carryback
- b. Federal audit
- c. Amended federal return
- d. Filing status
- e. Other

In the table below, indicate the line references for which you are reporting a change and explain in detail the reason(s) for the change.

Form or Schedule	Line or Box Number	Reason(s) for Change

