



# Pass-Through Entity Owner Tax Agreement

15-30-3313, MCA

MONTANA  
PT-AGR  
Rev 05 17



This agreement is valid for the tax year beginning           and ending           , and for all following tax years until this agreement is revoked.

## Part 1 - Pass-Through Entity Information

Entity Name		Federal Employer Identification Number	
Mailing Address			
City		State	Zip Code
Pass-Through Entity Type: <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Disregarded Entity			
Pass-Through Entity Contact Person and Phone Number			

## Part 2 - Owner Information

Owner/Fiduciary Name	
Social Security Number	Federal Employer Identification Number
Mailing Address	
City	Zip Code
Owner Entity Type: <input type="checkbox"/> Nonresident Individual <input type="checkbox"/> Nonresident Estate <input type="checkbox"/> Tax-Exempt Entity <input type="checkbox"/> Foreign C corporation <input type="checkbox"/> Nonresident Trust <input type="checkbox"/> Domestic 2nd Tier Pass-Through Entity (Complete page 2.)	

## Part 3 - Agreement and Signature

The undersigned agrees:

- if an individual, trust or estate, to timely file a return in accordance with the provisions of 15-30-2602, MCA;
- if a C corporation, to timely file a return in accordance with the provisions of 15-31-111, MCA;
- if a domestic 2<sup>nd</sup> tier pass-through entity, to timely file a return in accordance with the provisions of 15-30-3302, MCA and establish that the entity's distributive share of Montana source income should be fully accounted for in Montana income tax returns;
- to timely pay all taxes imposed with respect to income of the pass-through entity; and
- to be subject to the personal jurisdiction of the state for the collection of taxes and related interest, penalties and fees imposed with respect to income of the pass-through entity.

Signature of Owner/Fiduciary \_\_\_\_\_ Date           Phone Number \_\_\_\_\_

If the owner is a foreign C corporation, print name and title of signatory.

## Part 4 - Revoke the Agreement

I revoke my previously filed Form PT-AGR as an owner of the entity listed in Part 1 for the following years \_\_\_\_\_

Signature of Owner/Fiduciary \_\_\_\_\_ Date           Phone Number \_\_\_\_\_

If the owner is a foreign C corporation, print name and title of signatory.



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**Domestic 2nd Tier Pass-Through Entity Owner Information (List the owners of the second-tier, third-tier, etc.)**

	Name Street Address or PO Box City   State   Zip Code	Entity Type and Identification Number (FEIN or SSN)	FEIN of the entity that this owner has an interest and percent of the ownership
1		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
2		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
3		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
4		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
5		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
6		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
7		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
8		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
9		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %
10		Entity Type	<input type="text"/> - <input type="text"/>
		FEIN	<input type="text"/> . <input type="text"/> %
		SSN	<input type="text"/> . <input type="text"/> %

DRAFT August 15, 2017

If additional space is needed, make copies of this page. We do not accept the information from this page in other formats.



## Form PT-AGR Instructions

**New!** The 2017 Montana legislature expanded the definition of a domestic second-tier pass-through entity providing that a second-tier pass-through entity will qualify as "domestic" for the purposes of filing a waiver if its owners are resident taxpayers, including domestic C corporations and other entities whose principal place of business or administration is in Montana.

**Due date.** Form PT-AGR is due by the due date, including extensions, of the pass-through entity's return.

**Purpose of agreement.** Each nonresident individual, nonresident trust or estate, foreign C corporation or domestic second-tier pass-through entity who is an owner of a pass-through entity that agrees to file a Montana tax return and pay any applicable tax has to complete this form. This agreement is not valid unless it is signed and dated by the owner.

If the owner does not 1. complete and sign this agreement or 2. participate in the pass-through entity's composite return, the pass-through entity has to remit tax to the Department of Revenue on behalf of the owner.

This agreement applies to foreign C corporation owners that are not engaged in or doing business in Montana. If a foreign C corporation owner does engage in or conduct business in Montana, then the foreign C corporation owner does not complete this agreement. The foreign C corporation should instead file a Montana corporation income tax return.

All second-tier pass-through entities that do not qualify as a domestic second-tier pass-through entity are required to have tax remitted on their behalf or be included on a composite tax return of the first-tier pass-through entity.



**File an agreement.** A pass-through entity can electronically file the Form PT-AGR through our website. Filing electronically is simple and secure. In addition, the

pass-through entity will receive confirmation that the form was filed. For more information, visit [revenue.mt.gov](http://revenue.mt.gov) and check out Trans-Action Portal (TAP).

The Form PT-AGR can also be mailed to:

Montana Department of Revenue  
Attn: Form PT-AGR  
P.O. Box 5805  
Helena, MT 59604-5805

The pass-through entity is not required to file a new agreement each year, but does have to file currently effective agreements for each new qualifying owner and has to retain the agreements of other owners as tax records.

**Types of pass-through entities.** A pass-through entity is classified in Montana by its treatment for federal income tax purposes. Partnerships include limited liability companies that are treated as partnerships. S corporations

include limited liability companies that are treated as S corporations. Disregarded entities include single-member limited liability companies whose separate existence is disregarded for federal income tax purposes, partnerships that have elected under IRC § 761 to be excluded from the partnership tax rules, qualified subchapter S subsidiaries and qualified REIT subsidiaries.

If an owner of a pass-through entity is another pass-through entity, the owner is a second-tier pass-through entity. Do not file Form PT-AGR unless the owner qualifies as domestic second-tier pass-through entity.

A "domestic second-tier pass-through entity" is a pass-through entity whose interest is entirely held, either directly or indirectly, by any combination of resident individuals, estates, trusts, domestic C corporations or any other entities, organizations or accounts whose principal place of business or administration is located in the state of Montana.

To qualify as a domestic second-tier pass-through entity, you must:

- provide the name, address and social security or federal employer identification number of each of the domestic second-tier pass-through entity's partners, shareholders, members or other owners;
- establish that all of the domestic second-tier pass-through entity's share of Montana source income should be fully accounted for in a Montana income tax return filed by a Montana based taxpayer; and
- agree to notify the first-tier pass-through entity and the department if the ownership of the domestic second-tier pass-through entity and, if applicable, the ownership of any higher-tier pass-through entities changes.

### Agreement Revocation

**Failure of any nonresident individual, nonresident trust or estate, or foreign C corporation owner to file a return or to pay taxes.** If the owner does not file a Montana tax return or timely pay all taxes as required by the tax agreement, the Department of Revenue may notify the pass-through entity that the tax agreement is no longer in effect. Following that notice, the pass-through entity can no longer rely on the tax agreement. The entity will then be required to pay tax on behalf of the owner to the Department of Revenue unless that owner is included in the entity's composite return.

**Change in ownership.** The department may revoke the waiver provided for a domestic second-tier pass-through entity if it determines that the partner, shareholder, member or other owner no longer qualifies as a domestic second-tier pass-through entity. The department will notify the first-tier pass-through entity in writing of its requirement to withhold on the second-tier pass-through entity.

**Revoke an agreement.** If the owner chooses to revoke a previously filed tax agreement, the owner completes parts 1, 2 and 4 of a new Form PT-AGR. If an owner revokes the tax agreement and then chooses to reinstate a tax agreement for a future tax year, the owner will have to file a new Form PT-AGR. The owner must also provide a copy of the Form PT-AGR that revokes the agreement to the pass-through entity so that the pass-through entity is aware that the agreement is no longer in effect.

### Page 1 – Pass-Through Entity Owner Tax Agreement

Identify the tax year. This agreement will apply to this tax year and all subsequent tax years until revoked.

- **Pass-Through Entity Information** – Enter the name, mailing address, entity type and federal employer identification number (FEIN) for the first-tier pass-through entity.
- **Owner Information** – Enter the name, mailing address, entity type and social security or federal employer identification number (FEIN) for the second-tier pass-through entity.
- **Agreement and Signature** – The owner, or the owner's representative if a corporation or domestic second-tier pass-through entity, completes this part if the owner agrees to file a Montana tax return and pay any applicable tax.
- **Revoke the Agreement** – The owner, or the owner's representative if a corporation or domestic second-tier pass-through entity, completes this part if the owner wishes to revoke a previously filed Form PT-AGR.

**Complete either Part 3 or Part 4, but not both.**

### Page 2 – Domestic Second-Tier Pass-Through Entity Owner Information (third-tier, fourth-tier, etc.)

Use the following entity type codes to complete the form:

- C corporation (C)
- Disregarded entity (DE)
- Estate (E)
- Individual (I)
- Partnership (PS)
- S corporation (S)
- Tax exempt (TE)
- Trust (T)

If the owner entity type in Part 2 is marked domestic second-tier pass-through entity, page 2 must be completed. Enter the entity type code and federal employer identification number (FEIN) for the domestic second-tier pass-through entity at the top of page 2.

- **Name and Address** – For each owner of the domestic second-tier pass-through entity and higher tier pass-through entities (if applicable), provide the name, mailing address, entity type code and federal employer identification number (FEIN) or social security number (SSN).
- **FEIN of the entity that this owner has an ownership interest in** – Include the FEIN of the entity in which the owner has an ownership interest and identify the owner's ownership percentage.
- **Important:**
  - Include all owners on the request.
  - If additional space is needed, make copies of the second page.
  - We do not accept the information from the second page in other formats.
  - If you do not submit the required information on the second page or copies of the second page, we will deny your waiver request.

**Administrative Rules of Montana:** 42.9.104, 42.9.105 and 42.9.106

**Questions?** Please call us at (406) 444-6900.