

2010 Montana Form 2EZ

Individual Income Tax Forms and Instructions

Tax Filing Deadline is April 15, 2011


***File Electronically for a
Faster Refund...***



Up to 10 Times Faster!
revenue.mt.gov/efile

*Thank you for filing your tax return. Use this booklet to file electronically or on paper.
Before you file your return, check our website for filing updates that may affect your Montana return.*

Montana Department of Revenue

 **(866) 859-2254 (toll free) • (406) 444-6900 (Helena area) • (406) 444-2830 TDD**

Dear Montana Taxpayers:

Thank you for filing your individual income tax returns—you do a great job! By working together, you help make Montana a great place to live, work and raise a family.

Your Montana Department of Revenue is committed to providing the best possible tax services to the citizens of our great state. That means providing you with convenient ways to file and pay your individual income taxes.

You can electronically file Form 2EZ—at no cost to you—through our Montana electronic filing service at <https://tap.dor.mt.gov>. You also can file traditionally with the paper form, use software that you purchase, use approved e-file vendors (found on our website at revenue.mt.gov), or visit a tax professional who is an *Authorized IRS E-file Provider*. In addition, you'll find no-cost options for tax filing and tax assistance at MontanaFreeFile.org.

We strongly encourage you to use electronic options to file your return and to pay your tax due or receive your refund. Electronic options are simple, secure, and convenient.

As always, we promise to do the best that we can to provide you with the most accurate and timely assistance to help you file your tax returns. We work hard to ensure that all citizens and businesses pay their fair share of Montana taxes—no more and no less. Together, we're making our tax system work for all Montanans!

Best regards,

Dan Bucks, Director
Montana Department of Revenue

Your Tax Dollars at Work

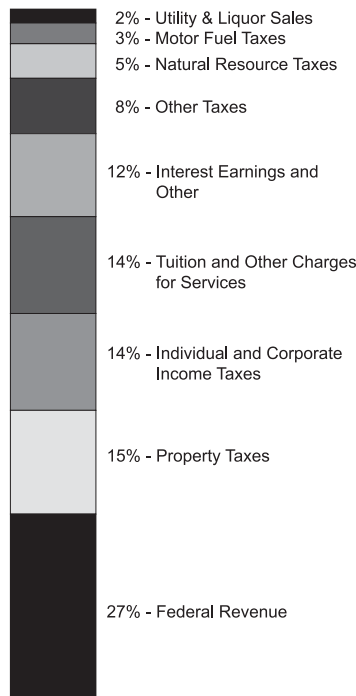
The table to the right shows where your individual and corporate income tax dollars (about 14% of total state and local revenues) were spent in 2009. For the charts below, the left chart shows the sources of revenue for both state and local governments in Montana for 2008, the most recent year for which totals are compiled. The right chart shows state and local spending.

Where Your Income Tax Dollar Goes

Education	50%
Health and Human Services	20%
Public Safety and Corrections	13%
Transfers to Local Governments	5%
General Government Operations	8%
Other	4%
Total Spending	100%

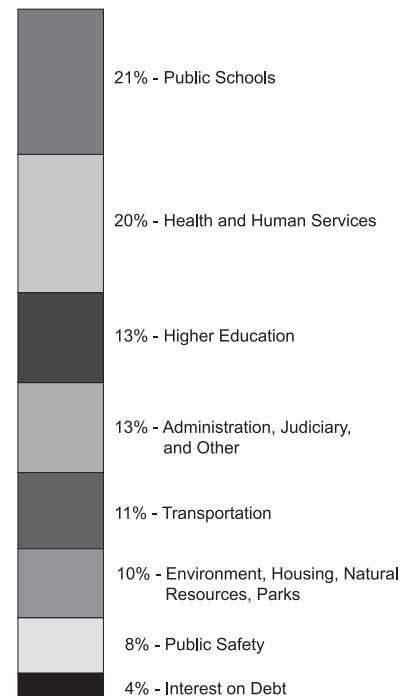
What are Montana's Public Revenues?

Total Montana State and Local Revenue, Fiscal Year Ending 2008



Where Do Your Public Dollars Go?

Total State and Local Spending in Montana, Fiscal Year Ending 2008





Go paperless. Go green.

There are more paperless options than ever before for you to file and pay your Montana taxes. And some of them are free. Whether you want to file on your own or through your favorite preparer, several options are available to fit your needs.

File Electronically

- **Montana Electronic Filing:** Fill out and directly file Montana individual income tax forms 2EC, 2, 2M and 2EZ for free. To file Form 2, you will need to register on Taxpayer Access Point (TAP). Watch our website for business returns we plan to add. Visit revenue.mt.gov.
- **Taxpayer Access Point (TAP):** This is a free electronic service for accessing your Montana tax account information, filing your return, paying your tax and much more. You'll need to register to access your account, and have to have previously filed in Montana. Visit <https://tap.dor.mt.gov>.
- **E-file with Tax Preparer or Online/Retail Software:** This is a cooperative program through the IRS and state revenue agencies. Authorized tax preparers can prepare and electronically file your federal and state tax returns at the same time. Depending on the services, there may be a fee. You can also use retail or online software to prepare and file your returns on your own. Visit revenue.mt.gov for a list of Montana approved software vendors. Or visit irs.gov for filing options.
- **Montana Free File:** This organization helps individual filers with free filing options. Visit montanafreefile.org for details.

Did you know?

- Direct deposit is available when you e-file, and most filers get their refunds within 5-7 business days.
- More than 70% of Montana individual income taxpayers file their taxes electronically.

Pay Electronically

- **Taxpayer Access Point (TAP):** See above for details.
- **Income Tax Express:** Pay current and past state individual income taxes and estimated taxes. Visit <https://app.mt.gov/ite>.
- **Business Tax Express:** This service allows you to electronically pay Montana state taxes for your business. Registration is required using state ePass. Visit <https://app.mt.gov/bustax>.

Electronic Filing and Payment Options at a Glance	Taxpayer Access Point ⁽¹⁾	E-file with tax preparer ⁽⁴⁾	E-file with online/retail software ⁽⁴⁾	Direct deposit refunds	Pay electronically ⁽⁵⁾
Filing status - Individual Income Tax					
First-time filer	No ⁽²⁾	Yes	Yes	Yes	Yes
Full-year resident	Yes	Yes	Yes	Yes	Yes
Part-year resident	Yes ⁽³⁾	Yes	Yes	Yes	Yes
Nonresident	Yes ⁽³⁾	Yes	Yes	Yes	Yes
Form type					
2EC - Elderly homeowner/ renter credit	Yes	Yes	Yes	Yes	NA
2 - Individual long form	Yes	Yes	Yes	Yes	Yes
2M - Individual intermediate form	Yes	Yes	Yes	Yes	Yes
2EZ - Individual short form	Yes	Yes	Yes	Yes	Yes
CLT-4 - Corporation	*	Yes	No	Yes	Yes
CLT-4S - S corporation	*	Yes	No	Yes	Yes
FID-3 - Estates and trusts	*	No ⁽⁶⁾	No	Yes	Yes
PR-1 - Partnership	*	Yes	No	Yes	Yes

(1) Free service for state returns only. Visit <https://tap.dor.mt.gov>.

(2) First-time filer can file forms 2M, 2EZ, and 2EC without registering on TAP. Visit revenue.mt.gov.

(3) Taxpayer Access Point only available if you have filed previously in Montana.

(4) Talk to your preparer, or visit revenue.mt.gov for a list of approved software vendors. This service is through the IRS Federal/State Electronic Filing program.

(5) Payment Service for state returns - Taxpayer Access Point: <https://tap.dor.mt.gov>; Business Tax Express: <https://app.mt.gov/bustax>; Income Tax Express: <https://app.mt.gov/ite>. Credit card charges may apply.

(6) Yes for IRS federal form. No for Montana form.

(*) Service planned, may not be currently available. Please check <https://tap.dor.mt.gov>.



Steps to Completing Your Return

Step 1	Personal Information	see page 2
Step 2	Income	see page 2
Step 3	Tax Liability	see page 3
Step 4	Tax, Payments and Refund	see page 3
Step 5	Direct Deposit Information and Signature	see page 5
FAQs	Frequently Asked Questions	see page 5

What's New for 2010?

• Easier to read Form 2EZ

You will notice that the Form 2EZ has been updated so that it can be read better by both people and our equipment. We are using new equipment that reads paper tax returns in order to save costs for all Montanans. You can help us maximize savings on processing costs by:

- Using black or blue ink, and
- Not stapling or taping anything to the tax return, correspondence, documents, voucher or check.

Also, we ask that you organize your return information in the following order (although some items may not apply to you).

1. Check and voucher
2. Correspondence
3. Tax return
4. Schedules
5. Additional documents

• Automatic six-month extension to file

You can now receive an automatic six-month extension to file your Montana tax return—without applying for a federal extension. You are still required to pay extension tax payments, withholding tax, or a combination of both, equaling 90% of the current year's tax liability or 100% of the previous year's tax liability. For additional information, please see FAQ 9 on page 8.

• Change to refund interest for late returns

Beginning with tax year 2010, there will be a change to the amount of refund interest we may owe to you if you file your

original tax return after the extended due date. If we do not issue your refund to you within 45 days, the interest will be calculated from the date we received your tax return, not the original due date.

• Changes to the energy conservation installation credit

Our administrative rules were updated in 2010 to provide you with more information about the credit. One revision, effective July 1, 2010, adopted the federal energy credit standards for windows, water heaters, and some other items. Please see Form ENRG-C for more information. You cannot use this Form 2EZ to claim the credit. You will need to file Form 2 or Form 2M.

Getting Started

These simple steps will help you to complete and file your Montana tax return.

- Complete your federal tax return.
- Determine if Montana Form 2EZ is right for you. See FAQ 2 on page 6.
- Decide if you will file electronically or use a paper tax return. This booklet is designed to help you file by whichever method you choose.
- If you file a paper return, remember to sign it.
- File your Montana tax return (include your payment, if taxes are due) by April 15, 2011. See FAQ 9 on page 8 for updated information about receiving an extension.
- When finished, please accept our thanks for a job well done!

Step 1. Personal Information

▶ Are you ready?

- Have any updated personal information.

▶ Did you ...?

- Use blue or black ink.
- Ensure that the Social Security Number you enter matches the one on your W-2(s).
- List your *mailing* address.
- Mark a filing status box.

Heading

Print your name, mailing address and social security number in the spaces provided. If you are married, enter your spouse's name and social security number.

If either the primary taxpayer or the spouse passed away during the tax year, enter the date of death in the field next to his or her name. Please include a copy of the federal Form 1310.

Filing Status – (Check only one box)

Box 1 – Single

You can claim this filing status if on December 31, 2010, you:

- were single,
- were legally separated according to your state law under a decree of divorce or separate maintenance, or
- were widowed before January 1, 2010 and you did not remarry in 2010.

If you are married you cannot file separate Form 2EZ forms. You will have to file a joint tax return with your spouse on Form 2M or 2EZ or file separately using Form 2.

Box 2 – Married Filing Jointly

You can claim this filing status if:

- you were married as of December 31, 2010, even if you did not live with your spouse at the end of 2010; or
- your spouse died in 2010 and you did not remarry in 2010; or
- you were married as of December 31, 2010 and your spouse died in 2011 before filing a 2010 tax return.

You and your spouse can file a joint tax return even though one of you has no income, but please note that both spouses have to sign the tax return.

Step 2. Income (Lines 3-10)

▶ Are you ready?

- Have your 2010 federal tax return available.

▶ Did you ...?

- Enter amount of exempt unemployment income on line 7 if you report unemployment income on line 5.

Lines 3 through 5

On lines 3 through 5, enter the amounts that you reported for these items on your federal individual income tax return, Form 1040, 1040A or 1040EZ.

Line 6 – Calculate Your Federal Income

Add lines 3 through 5 and enter the result here. This is your federal adjusted gross income that should match your federal tax return.

Line 7 – Exempt Unemployment Compensation

If you have received unemployment benefits from Montana or from another state, these benefits are not taxable to Montana. Enter the same amount that you put on line 5 above.

Line 8 – Exemption for Certain Taxed Tips and Gratuities

You can subtract any tips and gratuities that you received from customers while you worked in the food, beverage or lodging industry. These tips and gratuities are included in the amount on line 3 above. All other tips and gratuities that you received for providing services in other kinds of businesses—such as hair stylists, paper carriers and river guides—are not excluded.

Line 9 – Total Subtractions

Add lines 7 and 8; enter the result. This is your total subtractions.

Line 10 – Montana Adjusted Gross Income

Subtract line 9 from line 6 and enter the result on line 10. This is your Montana adjusted gross income.

Electronic Filers: Please be sure to save the tax information that you have entered.



Step 3. Tax Liability (Lines 11-15)

► **Are you ready?**

- Complete the standard deduction worksheet on back of Form 2EZ.

► **Did you ...?**

- Subtract the amount indicated in column B of the tax table below **after** you multiply your income by the percentage in column A.

Line 11 – Standard Deduction

To calculate your standard deduction, complete the worksheet found on page 2 of the Form 2EZ and enter the result.

Line 12 – Exemption Amount

If you checked box “1. Single” at the top of this form, enter \$2,130. If you checked box “2. Married filing jointly”, enter \$4,260.

Line 13 – Total Deductions and Exemptions

Add lines 11 and 12; enter the result. This is your total deductions and exemptions.

Line 14 – Montana Taxable Income

Subtract line 13 from line 10 and enter the result. Do not enter a number less than zero. This is your Montana taxable income.

Tax Computation

Line 15 – Total Tax Liability

Use the table with worksheet below to calculate your tax. The tax table is also on page 2 of Form 2EZ.

2010 Montana Individual Income Tax Table			
If Your Taxable Income		A	B
Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract This Amount
\$0	\$2,600	1% (0.010)	\$0
\$2,600	\$4,600	2% (0.020)	\$26
\$4,600	\$6,900	3% (0.030)	\$72
\$6,900	\$9,400	4% (0.040)	\$141
\$9,400	\$12,100	5% (0.050)	\$235
\$12,100	\$15,600	6% (0.060)	\$356
More Than \$15,600		6.9% (0.069)	\$496

Worksheet

Taxable income from Form 2EZ, line 14..... 1 _____

Applicable tax rate from column A..... 2 _____

Multiply amount on line 1 by rate on line 2 3 _____

Amount from column B to be subtracted 4 _____

Tax Liability. Subtract the amount on line 4 from the amount on line 3. Enter the result here and on Form 2EZ, line 15..... 5 _____

Step 4. Tax, Payments and Refund (Lines 16-21)

► **Are you ready?**

- Have your W-2(s) and other withholding information from your employer.

Line 16 – Total Payments

Enter the amount of the Montana income tax withheld from your income. This amount is reported in Box 17 of your federal Form W-2, given to you by your employer. If you fill out this line, you have to include a copy of your Form W-2 with this return. If you are filing electronically, you do not need to send us your Form W-2. You only need to keep a copy in your records.

Montana mineral royalty tax withheld, or income tax withheld as a result of an ownership interest in a pass-through entity (Form PT-WH), cannot be reported on line 16. If you had this type of tax withheld, you cannot file Form 2EZ and should instead file Form 2.

Line 17 – Late File Penalty, Late Payment Penalty and Interest

Late File Penalty

If you file your tax return after April 15, 2011—or October 17, 2011 with a valid extension (October 15 is a Saturday)—you will need to pay a late file penalty if tax on line 15 is greater than your withholding reported on line 16. You do not have to pay a late file penalty if you are filing your tax return late and you have a refund.

To calculate your late file penalty, subtract line 16 from line 15 and enter this amount or \$50, whichever amount is less.

Late Payment Penalty

If you have not paid all of your income tax liability by April 15, 2011, you will need to pay a late payment penalty. Your late payment penalty is equal to 1.2% per month or part of a calendar month on the unpaid amount from April 15, 2011 until it is paid. For example, if you do not pay your tax due until May 10, 2011, your late payment penalty will be 2.4% (two parts of a month x 1.2%) of the unpaid tax. Please remember that an extension to file your tax return is not an extension to pay your tax.

To calculate your late payment penalty, subtract the amount on line 16 from line 15 and then multiply this amount by 1.2% per month or part of a calendar month that your payment is late. Your late payment penalty will never be more than 12% (10 months x 1.2%) of the tax you owe.

Electronic Filers: Please be sure to save the tax information that you have entered.



Interest

If you have not paid 100% of your income tax liability by April 15, 2011, you will have to pay 8% annual interest, computed daily, on the amount you still owe. Remember, an extension of time to file your return does not extend the due date for paying your income tax. Interest accrues from the original due date of your return.

To calculate your interest, subtract line 16 from line 15 and then multiply this amount by 0.02192% (0.0002192) times the number of days after April 15, 2011 that your tax is paid.

If you owe more than one of the items listed for line 17, enter each amount you owe on the following worksheet.

Type	Amount
Late file penalty	
Late payment penalty	
Interest	
Total	

Enter the total on Form 2EZ, line 17. (You may wish to keep this information as part of your records for future reference.)

Line 18 – Montana Voluntary Check-Off Contribution Programs

Montana law provides you with the opportunity to contribute, via your income tax return, to the following programs. You can contribute any amount to any of these four programs. Your contribution will increase the amount you owe or reduce the amount of your refund.



Line 18a – Nongame Wildlife Program

Your contributions to this program are used to ensure the well-being of Montana's watchable wildlife species, such as eagles, herons, bluebirds, great horned owls, loons, chipmunks, pikas, flying squirrels and painted turtles.



Line 18b – Child Abuse Prevention Program

Your contributions to this program fund services and activities related to the prevention of child abuse and neglect.



Line 18c – Agriculture in Montana Schools Program

Your contributions to this program fund the development and presentation of educational programs. This program ensures Montana's young people have a better understanding of agriculture in our state and how it relates to the rest of the world.



Line 18d – Montana Military Family Relief Fund

Your contributions to this program help provide funding for grants that aid Montana families in defraying the costs of food, housing, utilities, medical services and other expenses when a wage earner has been called to active military duty.

Amount You Owe or Your Refund

Line 20 – Amount You Owe

If line 19 is greater than line 16, enter the difference. This is the amount you owe.

You can pay the amount you owe by:

- Electronic funds withdrawal when e-filing your joint federal/state tax return.
- E-check or credit card online—if you wish to pay the amount that you owe by e-check or credit card, please visit our website at revenue.mt.gov. You will have two options: 1) you can access your Montana tax account or 2) go to Online Services for Individuals, File and Pay Taxes. There is no fee for an e-check payment; a small fee is applied for a credit card payment.
- Personal check, money order, or cashier's check—please use the voucher that we have provided with this income tax booklet. Make your check payable to the Montana Department of Revenue. Please sign your check, and write your social security number and "Tax Year 2010" on the memo line.

If you cannot pay the entire amount that you owe with your tax return, we encourage you to file your tax return timely and pay as much as you can. By filing and paying as much as you can by April 15, 2011, you may not have to pay a late file penalty and you can reduce the amount of your late payment penalty and interest. If you need to establish a payment plan, please call us toll free at (866) 859-2254 (in Helena, 444-6900) as soon as possible to discuss payment options and make arrangements.

Line 21 – Your Refund

If line 16 is greater than line 19, enter the difference. This is your refund.

Electronic Filers: Please be sure to save the tax information that you have entered.



Step 5. Direct Deposit Information and Signature

► Are You Ready?

- Have your banking information (account and routing number) if you would like to have your refund direct deposited into your checking or savings account.

► Did you ...?

- Make sure the amount of your refund is reported on line 21—not line 20. Your refund could be delayed if it is reported on the wrong line.
- Sign your tax return.

If you would like to use direct deposit, enter your financial institution's routing number (RTN#) and your account number (ACCT#) in the space provided. Your routing

number will be nine digits and your account number can be up to 17 characters, including numbers and letters. Mark whether your account is a checking or savings account and if your refund will go to a bank outside of the United States and its territories (Midway Islands, Puerto Rico, American Samoa, US Virgin Islands, Federated States of Micronesia, and Guam).

If your financial institution does not accept the direct deposit, we will mail you a refund check.

A sample of a personal check is provided for your convenience.

The image shows a sample personal check form. The payor information is: John Taxpayer, Jane Taxpayer, 23 Main Street, Anyplace, MT 59000. The payee line is blank. The amount is \$1234. The bank information is: Anyplace Bank, Anyplace, MT 59000. The routing number is 123456789 and the account number is 9876543210. A callout box points to the routing number and account number fields, stating: "Do not include the check number in the account number".

FAQs—Frequently Asked Questions

Please find the answers to these questions identified by number on pages 6-10.

Filing Requirements

- 1 Do I have to file a Montana individual income tax return?
- 2 I have to file a Montana individual income tax return. Should I use the Form 2EZ?
- 3 How do I know whether I am a full-year resident, nonresident, or a part-year resident of Montana for individual income tax purposes?
- 4 When do I have to file my Montana tax return?
- 5 What does the checkbox that asks "May the DOR discuss this tax return with your tax preparer?" mean?
- 6 If I choose to file a paper return, where do I mail it?

Electronic Filing

- 7 Can I file my Montana tax return electronically?
 - E-filing your return has many benefits.
 - E-filing does not change the records you have to keep.
 - You can access and manage your Montana tax account online.

Late Filed Returns

- 8 What happens if I do not file my Montana tax return on time?
- 9 What if I need more time to file my Montana tax return?

Amended Returns

- 10 What do I do if I made an error on my income tax return and I now want to correct it?
- 11 I have filed an amended federal tax return with the Internal Revenue Service, or the Internal Revenue Service has adjusted my federal tax return. Do I have to report this change to Montana? If so, how do I report this change?

Penalty and Interest

- 12 What happens if my payment is late?
- 13 What is the interest rate on unpaid taxes?

Refund Information

- 14 How can I check on my refund?

Special Situations

- 15 I am on active duty in the regular armed forces and currently serving in an area designated as a "combat zone" or "contingency operations." I am unable to file my Montana tax return by April 15, 2011. Can I (and my spouse) obtain an extension to file my 2010 Montana tax return?
- 16 My spouse has a past-due child support obligation and I don't want my refund to be applied to this debt. What can I do?
- 17 A mental or physical disability prevents me from completing and filing a tax return. What can I do?
- 18 How do I file for a deceased person?
- 19 I have heard that special rules apply to wages that Montana residents earn in North Dakota, or North Dakota residents earn in Montana. What are those rules?
 - I am a Montana resident. How do those rules apply to me?
 - I am a North Dakota resident. How do those rules apply to me?

Record Keeping

- 20 How long do I need to maintain my tax records after I have filed my state tax return?

1 Do I have to file a Montana individual income tax return?

If you are a resident, nonresident or a part-year resident, you have to file a Montana individual income tax return when you have Montana source income and your federal gross income, excluding unemployment compensation, is equal to or greater than the threshold for your filing status.

IF your filing status is...	AND at the end of 2010 you were...	THEN you have to file a tax return if your federal gross income, excluding unemployment compensation was at least...
Single	Under 65	\$3,900
Married filing jointly with your spouse	Both under 65	\$7,800
Your filing status has to be either single or married filing jointly to use Form 2EZ.		

2 I have to file a Montana individual income tax return. Should I use the Form 2EZ?

To use Montana Form 2EZ, you should be able to answer yes to all of the following.

- I was a Montana resident for all of 2010.
- I am filing as a single person or as a married person filing a joint tax return.
- My spouse and I were under 65 and not blind at the end of 2010.
- I am claiming no dependents.
- My only income is from wages, interest, dividends, or unemployment compensation.
- I am claiming the standard deduction rather than itemizing deductions.
- I am not claiming any credits.

If you answered *no* to any question above, Form 2EZ is not the right tax form for you. Please visit our website at revenue.mt.gov, or call us toll free at (866) 859-2254 (in Helena, 444-6900) for help in deciding which tax form is right for you.

3 How do I know whether I am a full-year resident, nonresident, or a part-year resident of Montana for individual income tax purposes?

You are a resident of Montana for individual income tax purposes if you live in Montana or if you maintain a permanent home in Montana. A permanent home in Montana means a dwelling place you habitually use as your home, whether or not you own it and whether or not you may someday leave. You do not lose your Montana residency if you leave the state temporarily with the

intention of returning. Your Montana residency is lost when you move outside of Montana with no intention of returning. Unless there is a specific exception under Montana law, if you establish Montana residency for any other purpose, you are considered a Montana resident for income tax purposes.

You are a nonresident of Montana if you were not a resident during any part of the tax year.

You are a part-year resident of Montana if you moved to or from Montana during the tax year with the intention of establishing a permanent residence in your new state.



A nonresident or part-year resident who is required to file a Montana tax return needs to use Form 2.

4 When do I have to file my Montana tax return?

Your 2010 Form 2EZ tax return is required to be filed by April 15, 2011. If filing after April 15, 2011, please see FAQs

8 and 9.

5 What does the checkbox that asks “May the DOR discuss this tax return with your tax preparer?” mean?

If you check the box, we can discuss any concerns that we might have with your 2010 tax return—a missing W-2, for example—with your tax preparer. If you do not check the box, we cannot discuss your return with anyone but you or someone to whom you have given a power of attorney that allows us to discuss the return with them.

If “Yes” is marked on a return by you and your spouse (if filing a joint return), each of you is authorizing us to call the tax preparer to answer any questions that arise while we are processing your 2010 tax return.

By checking the box you are also authorizing us to:

- Request that the tax preparer give us any information that is missing from your return.
- Respond to the tax preparer’s call to us for information about the processing of your return or the status of your refund or 2010 payment(s).
- Discuss certain notices from us about math errors, offsets, and return preparation. Note: The department will only send notices directly to you, not to the tax preparer.

You are not authorizing the tax preparer to receive any refund check, bind you to anything (including any additional tax liability), receive any information about any other tax year or tax matter, or otherwise represent you before the department.

Please be aware that this authorization cannot be revoked. The authorization will, however, automatically end no later than the due date, without regard to extensions, for filing your next year’s (2011) tax return. This is April 15, 2012, for most people.

If you want to expand or change the tax preparer's authorization (for example, to verify any estimated payments you'll be making in the future), you can use Form POA, Power of Attorney, Authorization to Disclose Tax Information. Form POA is available on our website at revenue.mt.gov. You also can grant your tax preparer access to your tax account information through Taxpayer Access Point (TAP) at <https://tap.dor.mt.gov>.

6 If I choose to file a paper return, where do I mail it?

We have two different mailing addresses for your paper return, if you choose not to file electronically. We do this so that if you are asking for a refund, we can get your refund processed and to you more quickly and efficiently.

If you are filing a tax return that includes no payment or if you are due a refund, please mail your tax return to:



Montana Department of Revenue
PO Box 6577
Helena, MT 59604-6577

If you are filing a tax return that includes a payment, please mail your tax return and check to:



Montana Department of Revenue
PO Box 6308
Helena, MT 59604-6308.

7 Can I file my Montana tax return electronically?



Yes. We encourage you to file electronically. Seventy percent of Montana individual income tax filers are using electronic filing options. If you are filing Form 2EZ, you have more than one electronic filing option. You can:

- File your Montana tax form FREE through our website. For more information, please visit revenue.mt.gov. Please note that this service only applies to your Montana tax return; you may still have to file a federal tax return.
- File both your Montana and federal tax returns through the “federal/state electronic online filing program,” which is a cooperative effort between the Internal Revenue Service (IRS) and state tax revenue agencies (this option may be free or low-cost). Additional information can be found at www.irs.gov or on our website at revenue.mt.gov. This option allows you to electronically file your federal and state tax return at the same time.
- File through a tax professional who is an Authorized IRS E-file Provider.
- File by using software that you download which helps you to prepare and electronically file your federal and state tax returns at the same time. A

listing of approved e-file vendors can be found on our website at revenue.mt.gov.

- File by using one of the free electronic filing options listed on MontanaFreeFile.org. Some options have eligibility requirements.
- **E-filing your return has many benefits.**
 - Quicker refund—for the fastest refund you should also use Direct Deposit.
 - Increased accuracy—most software includes math edits and up-to-date tax law changes.
 - Acknowledgement and/or confirmation that your e-filed return was received.
 - Convenience—e-file 24 hours a day, seven days a week, with nothing to mail.
 - Control over your payment—file now but pay later (on or before April 15). When filing electronically you can also schedule your electronic payment withdrawal to occur on April 15.
 - Environmentally friendly—uses less paper.
- **E-filing does not change the records you have to keep.**

If you file electronically, you don't have to mail in a paper copy of your tax return, or any accompanying federal Form(s) W-2 or 1099, or any other Montana supplemental forms. When you file your tax return electronically, you represent that you have kept all the documents required as your tax record and that you will provide copies of these if we ask for them. You also don't have to sign a copy of your tax return and submit it to us. The act of completing and filing your tax return electronically is considered an authorized signature.

- **You can access and manage your Montana tax account online.**

Did you know that you can sign up to access your Montana tax account online? You can visit our Taxpayer Access Point (TAP) website at <https://tap.dor.mt.gov> to register for access to your account. After you register for account access, you will be able to file your tax return, make payments, look at your returns and payments, update your account information, and grant access to others (such as your tax practitioner).

Please visit our website at revenue.mt.gov for more information about simple, secure and convenient ways to file, pay, review and manage your Montana tax account online. We encourage you to try our demo for filing your Form 2EZ.

- **8 What happens if I do not file my Montana tax return on time?**

If you file your tax return late, you will need to pay a late file penalty of \$50 or the amount of tax due, whichever is less.

You do not owe a late file penalty if you file a late tax return for which you are receiving a refund.

9 What if I need more time to file my Montana tax return?

You are granted an automatic, six-month extension of time for filing your Montana income tax return if you have paid 90% of your 2010 Montana income tax liability or 100% of your 2009 Montana income tax liability through your estimated tax payments, your withholding tax, or a combination of both your estimated and withholding tax payments by April 15, 2011.

New! Beginning with this 2010 tax year, you do not have to apply for a federal extension in order to receive a Montana extension.

Please use the Montana Form EXT-10, 2010 Extension Payment Worksheet, to determine if you have to make an extension payment by April 15, 2011, to qualify for the automatic filing extension. You can get a copy of this form by visiting our website at revenue.mt.gov or calling us toll free at (866) 859-2254 (in Helena, 444-6900). If you are required to make an extension payment, please use the tax payment voucher found on this worksheet or sign up to make your payment online by visiting our website at revenue.mt.gov.



Any extension of time to file your Montana income tax return is not an extension of time to pay your income tax liability. If you have a valid Montana extension but you have not paid your entire 2010 income tax liability by April 15, 2011, you are relieved of late file penalties but you are not relieved of late pay penalties and interest on your outstanding Montana income tax liability.

10 What do I do if I made an error on my tax return and I now want to correct it?

If you discover that your tax return was incorrect, you have five years from the due date of the original tax return to file an amended Montana tax return to correct the mistake. For tax years 2004 and earlier, you have to write "Amended Return" clearly on the front page of your tax return. For tax years 2005 and later, you check the "Amended Return" box found in the upper left-hand corner of the Montana tax return. Please note that you cannot use Form 2EZ to amend tax years before 2006.



Include copies of any schedules submitted with the original filing, even if none of the amounts previously reported have changed.

Montana Form AMD is available to help you reconcile the changes to the original tax return. Although not required, we suggest that you complete and include Form AMD, or a similar form outlining the changes, with your corrected tax return. Form AMD does not serve as an amended return on its own. You can download Form AMD from our website at revenue.mt.gov.



If you file an amended tax return that reflects an increased tax liability, you may have the late payment penalty waived. To receive the waiver, simply check the "Amended Return" box on the top left-hand corner of the tax return and pay the tax and applicable interest in full when you file the amended return. By checking this box and paying all tax and interest, you are treated as having requested a waiver of the late payment penalty.

11 I have filed an amended federal tax return with the Internal Revenue Service, or the Internal Revenue Service has adjusted my federal tax return. Do I have to report this change to Montana? If so, how do I report this change?

Within 90 days after you receive notification that the Internal Revenue Service changed or corrected your federal taxable income, or 90 days after you change your federal taxable income by filing an amended federal return, you have to file an amended Montana tax return. If you do not file an amended Montana return within that 90 days, we will have five years to adjust your Montana tax return to reflect the changes made on your federal tax return or make any other assessments of additional tax.

12 What happens if my payment is late?

If you do not pay all of your tax on or before April 15, 2011, you will need to pay a late payment penalty. This penalty is 1.2% per month or fraction of a calendar month on the unpaid tax. This penalty cannot exceed 12% of the tax due.

If you do not pay your tax liability by April 15, 2011, you will also be charged interest at a rate of 8% per year, accrued daily. If you can't pay your tax in full, you should file your tax return by the due date and pay as much as you can with your tax return. If you wish to set up a payment plan, please call us toll free at (866) 859-2254 (in Helena, 444-6900) as soon as possible to discuss payment options and make arrangements to pay.

Whether you just pay your tax late or are making a payment as part of a payment plan you established with us, be sure to include your name, social security number and the tax year for which the payment is to be applied clearly on your payment. If you intend to have one payment applied to more than one social security number or tax year, please include a statement with your payment that tells us how you want us to apply your payment.

13 What is the interest rate on unpaid taxes?

The current interest rate is 8%, and it will continue to be in effect through December 31, 2011. Under Montana law, the interest rate for all unpaid individual income taxes depends on the rate set by the Internal Revenue Service and may fluctuate each year, but will not be less than 8%.

14 How can I check on my refund?

You can check the status of a refund you are expecting by visiting our website at revenue.mt.gov and going to the “Where’s My Refund?” link. You can also check the status of your refund by calling us toll free at (866) 859-2254 (in Helena, 444-6900). We will be glad to tell you the status of your refund once we have entered it into our computer system.

Whether you are checking the status of your refund online or by phone, you will need to provide the following information.

- The social security number of the first taxpayer’s name on your tax return.
- The amount of the refund requested as shown on your tax return.

15 I am on active duty in the regular armed forces and currently serving in an area designated as a “combat zone” or “contingency operations.” I am unable to file my Montana tax return by April 15, 2011. Can I (and my spouse) obtain an extension to file my 2010 Montana tax return?

Yes, you can obtain both an extension to file and protection from being assessed penalties or interest for paying your taxes late—but you must use Form 2 when you do file your tax return. Because Montana law follows the Servicemembers Civil Relief Act, the extension of time to file your Montana tax return is the same for filing your federal tax return. If you are serving in a combat zone or in a contingency operation, you (and/or your spouse) can extend the filing of your Montana tax return for up to 180 days after your last day in a combat zone.

If you are filing your tax return under the Servicemembers Civil Relief Act, clearly write on the top of Montana Form 2, using red ink, “combat zone or contingency operations extension,” and file your tax return within 180 days after your last day in a combat zone.

16 My spouse has a past-due child support obligation and I don’t want my refund to be applied to this debt. What can I do?

If you do not want your refund to be applied toward your spouse’s child support obligation, you can file your Montana tax return using Form 2 and filing status 3b, which is “married filing separate tax returns on separate forms.” When using this filing status, each spouse claims his or her own income, losses, deductions, expenses, exemptions, and credits, and your Montana refund would not be offset by your spouse’s child support debt.

If you filed a joint return with your spouse and your refund was applied to your spouse’s child support debt, you may be considered an “injured spouse” and we can help you resolve the matter. You need to contact us within 30 days after receiving notice that your refund was applied to your

spouse’s child support debt. If necessary, we can help you file the correct tax return(s).

17 A mental or physical disability prevents me from completing and filing a tax return. What can I do?

If you have a filing obligation but are unable to complete and file a tax return because of a mental or physical disability, the tax return can be prepared by your authorized agent, guardian or person responsible for your care and property.

18 How do I file for a deceased person?

If you are responsible for the financial affairs of a deceased person, you’ll have to file a tax return for that person if his or her income exceeds the minimum filing requirements. See FAQ 1 on page 6. If you and the deceased person were married, you can file a joint tax return. If you are filing a joint return and you are the surviving spouse that is all that is required. All other filers requesting the deceased taxpayer’s refund must file the return and include a federal Form 1310 as well as any court documents appointing a personal representative.

This tax return has to include the income of that deceased spouse from the beginning of the year to the date of death in addition to the income of the surviving spouse for the entire year. A deceased taxpayer’s information should not be included on an individual tax return after the date of death.

19 I have heard that special rules apply to wages that Montana residents earn in North Dakota, or North Dakota residents earn in Montana. What are those rules?

Montana and North Dakota have a reciprocal agreement. If a Montana resident performs personal or professional services for an employer in North Dakota, the wages are treated as being earned in Montana and the Montana resident does not have to file a North Dakota income tax return reporting those wages. If a North Dakota resident performed personal or professional services for an employer in Montana, the wages are treated as being earned in North Dakota and the North Dakota resident does not have to file a Montana income tax return reporting those wages. The agreement also covers withholding taxes. Withholding is not required on wages treated as earned in the other state. The Montana-North Dakota agreement applies only to wages; other types of income, such as the self-employment income of an independent contractor or mineral royalties, are not included.

• I am a Montana resident. How do those rules apply to me?

You should report all of your wages on your Montana return—you are not required to file a North Dakota income tax return (unless your employer withheld North Dakota taxes on wages covered by the agreement and you need

to file a North Dakota return to get a refund of those taxes). You can also claim an exemption from future North Dakota withholding by completing North Dakota Form NDW-R and giving it to your North Dakota employer. You can get this form from your employer, by visiting North Dakota's website at nd.gov/tax or by writing to Office of State Tax Commissioner, State Capitol, Bismarck, ND 58505.

- **I am a North Dakota resident. How do those rules apply to me?**

You should report all of your wages on your North Dakota return—you are not required to file a Montana income tax return (unless your employer withheld Montana taxes on wages covered by the agreement and you need to file a Montana return to get a refund of those taxes). If you have to file a Montana return to get a refund, file a paper return on Form 2, include Montana Form NR-1, North Dakota Reciprocal Affidavit, and a copy of your North Dakota income tax return and mail them to us by April 15, 2011.

File as a nonresident and do not report the wages that you earned in Montana as "Montana source income."

You can also claim an exemption from future Montana withholding by completing Montana Form NR-2 annually, giving it to your employer, and filing a copy with us. You can get this form from your employer, by visiting our website at revenue.mt.gov, or by writing to Montana Department of Revenue, PO Box 5805, Helena, MT 59604-5805.

- **20 How long do I need to maintain my tax records after I have filed my state tax return?**

You should keep all your records for at least five years from the date that you filed your Montana tax return. This is called the statute of limitations. The statute of limitations for Montana individual income tax purposes is five years, and the statute of limitations for federal individual income tax purposes is three years. You should keep your property records and carryover information even longer.



Did you know?

You can e-file this form.
revenue.mt.gov/efile

We encourage you to file electronically and pay electronically....

The benefits to you are:

- **Quicker Refunds.** For the fastest refund use Direct Deposit. The typical wait for e-filed refunds is 5-7 business days. Taxpayers who file paper returns wait as long as 6-10 weeks for their refunds.
- **Increased Accuracy.** Most software includes math edits and up-to-date tax law changes.
- **Acknowledgement and Confirmation.** Proof that your e-filed return was received.
- **Nothing to Mail.** E-file at your convenience, 24 hours a day, seven days a week.
- **File Now; Pay Later.** E-file accepts both refund and tax due returns. Payments on balance due returns are to be made by April 15, 2011. Check out your electronic payment options on our website at revenue.mt.gov, under Online Services, For Individuals, Online Tax Forms, File & Pay Taxes.

How to file your return electronically:

- **E-file from your own computer.** Use our website at revenue.mt.gov, under Online Services, For Individuals, Online Tax Forms, File & Pay Taxes. You will learn about the services available at no cost to eligible taxpayers and the commercial preparation software that is available for a fee.

2010 Montana Individual Income Tax Return

Form 2EZ

Income tax return for a Montana resident filing as single or married filing jointly with no dependents

<input type="checkbox"/> Check this box if this is an amended return.	First name and initial	Last name	Social security number	If deceased, date of death
	Spouse's first name and initial	Last name	Spouse's social security number	If deceased, date of death
	Mailing address	City	State	Zip+4

Filing Status (check only one box) 1. Single 2. Married filing jointly **Note: If you are 65 or older, Form 2M or Form 2 would be a better option for you.**

Enter amounts corresponding to your federal tax return. Round to nearest dollar. If no entry, leave blank.

Income	3. Wages, salaries, tips, etc. Attach federal Form(s) W-2.....	3.		00	
	4. Taxable interest and dividends. Attach federal Schedule B if more than \$1,500.....	4.		00	
	5. Unemployment compensation.....	5.		00	
	6. Add lines 3 through 5 and enter the result here. This is your federal adjusted gross income.	6.		00	
	7. Exempt unemployment compensation.....	7.		00	
	8. Exemption for certain taxed tips and gratuities.....	8.		00	
	9. Add lines 7 and 8; enter the result here. This is your total subtractions.	9.		00	
	10. Subtract line 9 from line 6; enter the result here. This is your Montana adjusted gross income.	10.		00	
	11. Enter your standard deduction from the worksheet on the back of this form.....	11.		00	
	12. Enter \$2,130 if your filing status is single or \$4,260 if married filing jointly. This is your exemption amount.	12.		00	
Tax Liability	13. Add lines 11 and 12; enter the result here. This is your total deductions and exemptions.	13.		00	
	14. Subtract line 13 from line 10 and enter the result here, but not less than zero. This is your taxable income.	14.		00	
	15. Enter your tax from the tax table on the back of this form. If line 14 is zero, enter zero. This is your total tax liability.	15.		00	
	16. Enter your Montana income tax withheld. Attach federal Form(s) W-2 and 1099. This is your total payments.	16.		00	
	17. Enter your late file penalty, late payment penalty and interest here. See instructions on page 3.....	17.		00	
	Tax, Payments and Refund	18. Voluntary check-off contributions. Check the appropriate box(es) if you wish to contribute in addition to your existing tax liability. Please enter total of lines 18a through 18d.....	18.		00
		18a. Nongame Wildlife Program <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or <input type="checkbox"/> 00 (specify amount)			
		18b. Child Abuse Prevention <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or <input type="checkbox"/> 00 (specify amount)			
		18c. Agriculture in Schools <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or <input type="checkbox"/> 00 (specify amount)			
	18d. Montana Military Family Relief Fund <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or <input type="checkbox"/> 00 (specify amount)				
19. Add lines 15, 17 and 18; enter the result here. This is the sum of your tax, penalties, interest and contributions.	19.		00		
20. If line 19 is greater than line 16, enter the difference. This is the amount you owe.	20.		00		
Visit our website at revenue.mt.gov to pay by credit card or e-check, or make your check payable to MONTANA DEPARTMENT OF REVENUE.					
21. If line 16 is greater than line 19, enter the difference. This is your refund.	21.		00		



For Direct Deposit of your refund, complete 1, 2, 3, and 4. Please see instructions on page 5.

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



Name, address and telephone number of paid preparer Do not mail forms and instructions next year

Paid preparer's PTIN, SSN or FEIN:

May the DOR discuss this tax return with your tax preparer? See instructions on page 6. Yes No

Your signature is required	Date	Daytime telephone number	Spouse's signature	Date
X			X	

I declare under penalty of false swearing that the information in this tax return and attachments is true, correct and complete.

Questions? Call us toll free at (866) 859-2254 (in Helena, 444-6900), or TDD (406) 444-2830 for hearing impaired.

Standard Deduction Worksheet	
1. Enter your Montana adjusted gross income from Form 2EZ, line 10 here.....	1. <input style="width: 100px;" type="text"/>
2. Multiply the amount on line 1 by 20% (0.20) and enter the result here.....	2. <input style="width: 100px;" type="text"/>
3. Enter the amount below that corresponds to your filing status here.....	3. <input style="width: 100px;" type="text"/>
<ul style="list-style-type: none"> • If your filing status is single (filing status 1) enter \$3,990. This is your maximum standard deduction. • If your filing status is joint (filing status 2) enter \$7,980. This is your maximum standard deduction. 	
4. Enter the amount from line 2 or 3, whichever is smaller.....	4. <input style="width: 100px;" type="text"/>
5. Enter the amount below that corresponds to your filing status.....	5. <input style="width: 100px;" type="text"/>
<ul style="list-style-type: none"> • If your filing status is single (filing status 1) enter \$1,770. This is your minimum standard deduction. • If your filing status is joint (filing status 2) enter \$3,540. This is your minimum standard deduction. 	
6. Enter here and on Form 2EZ, line 11, the amount from line 4 or line 5, whichever is larger. This is your standard deduction	6. <input style="width: 100px;" type="text"/>

Calculation of Interest on Underpayment of Estimated Taxes – Short Method

You are required to pay your income tax liability throughout the year. You can make your payments through employer withholding, through installment payments of estimated taxes, or through a combination of employer withholding and estimated tax payments.

You are not required to make estimated tax payments if one of the following conditions applies to you:

- Your combined tax liability after you applied your withholding and estimated tax payments is less than \$500.
- You did not have a 2009 income tax liability and you were a citizen or resident of the United States the entire year.
- You retired in either 2009 or 2010 after reaching the age of 62.
- You became disabled in either 2009 or 2010.
- You are a farmer or rancher and 66-2/3% of your 2010 gross income is derived from your farming and ranching operation. Your 66-2/3% farming and ranching income is determined annually and is based on your 2010 gross income. Please note that Montana does not use the same “lookback” period that the Internal Revenue Service uses to determine the percentage of your farming and ranching income for federal income tax purposes.

If you did not pay in advance at least 90% of your 2010 income tax liability (after applying your credits) or 100% of your 2009 income tax liability (after applying your credits), you may have to pay interest on the underpayment of your estimated taxes.

If you are required to pay interest on your underpayment, you can use this short method to determine your interest, but only if you’ve done either of the following:

- You made non-estimated tax payments or your payments were only Montana withholding; or
- You made four equal estimated payments by the required due dates.

If you are not eligible to use this short method to calculate your interest on your underpayment, use Montana Form EST-1, Interest on Underpayment of Estimated Tax Payments. This form is available on our website at revenue.mt.gov, or call us toll-free at (866) 859-2254 (in Helena, 444-6900).

1. Enter here your 2010 total tax liability as reported on Form 2EZ, line 15.....	1. <input style="width: 100px;" type="text"/>
2. Multiply line 1 by 90% (0.90) and enter the result here.....	2. <input style="width: 100px;" type="text"/>
3. Enter the amount from line 16 here.	3. <input style="width: 100px;" type="text"/>
4. Subtract line 3 from line 1 and enter the result here. If your result is \$500 or less, stop here; you do not owe interest on your underpayment.	4. <input style="width: 100px;" type="text"/>
5. Enter here the 2009 income tax liability that you reported on your 2009 Form 2, line 53; Form 2M, line 47; or Form 2EZ, line 15.....	5. <input style="width: 100px;" type="text"/>
6. Enter the smaller of line 2 or line 5 here.	6. <input style="width: 100px;" type="text"/>
7. Enter the amount from line 16 here.....	7. <input style="width: 100px;" type="text"/>
8. Subtract line 7 from line 6 and enter the result here. If the result is zero or less, stop here; you do not owe interest on your underpayment. This is your total underpayment for 2010.	8. <input style="width: 100px;" type="text"/>
9. Multiply line 8 by 0.05320 and enter the result here.....	9. <input style="width: 100px;" type="text"/>
10. If you paid the amount on line 8 before April 15, multiply the amount on line 8 by the number of days you paid before April 15 and then multiply by 0.0002192.....	10. <input style="width: 100px;" type="text"/>
11. Subtract line 10 from line 9 and enter the result here and on Form 2EZ, line 17. This is your interest on underpayment of estimated taxes.	11. <input style="width: 100px;" type="text"/>

2010 Montana Individual Income Tax Table									
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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	\$2,600	1% (0.010)	\$0		\$9,400	\$12,100	5% (0.050)	\$235	
\$2,600	\$4,600	2% (0.020)	\$26		\$12,100	\$15,600	6% (0.060)	\$356	
\$4,600	\$6,900	3% (0.030)	\$72		More Than \$15,600		6.9% (0.069)	\$496	
\$6,900	\$9,400	4% (0.040)	\$141						

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

\$204 Minus \$72 = \$132 Tax

2010 Montana Individual Income Tax Return

Form 2EZ

Income tax return for a Montana resident filing as single or married filing jointly with no dependents

<input type="checkbox"/> Check this box if this is an amended return.	First name and initial	Last name	Social security number	If deceased, date of death
	Spouse's first name and initial	Last name	Spouse's social security number	If deceased, date of death
	Mailing address	City	State	Zip+4

Filing Status (check only one box) 1. Single 2. Married filing jointly **Note: If you are 65 or older, Form 2M or Form 2 would be a better option for you.**

Enter amounts corresponding to your federal tax return. Round to nearest dollar. If no entry, leave blank.

Income	3. Wages, salaries, tips, etc. Attach federal Form(s) W-2.....	3.		00	
	4. Taxable interest and dividends. Attach federal Schedule B if more than \$1,500.....	4.		00	
	5. Unemployment compensation.....	5.		00	
	6. Add lines 3 through 5 and enter the result here. This is your federal adjusted gross income.	6.		00	
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	8. Exemption for certain taxed tips and gratuities.....	8.		00	
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	11. Enter your standard deduction from the worksheet on the back of this form.....	11.		00	
	12. Enter \$2,130 if your filing status is single or \$4,260 if married filing jointly. This is your exemption amount.	12.		00	
Tax Liability	13. Add lines 11 and 12; enter the result here. This is your total deductions and exemptions.	13.		00	
	14. Subtract line 13 from line 10 and enter the result here, but not less than zero. This is your taxable income.	14.		00	
	15. Enter your tax from the tax table on the back of this form. If line 14 is zero, enter zero. This is your total tax liability.	15.		00	
	16. Enter your Montana income tax withheld. Attach federal Form(s) W-2 and 1099. This is your total payments.	16.		00	
	17. Enter your late file penalty, late payment penalty and interest here. See instructions on page 3.....	17.		00	
	Tax, Payments and Refund	18. Voluntary check-off contributions. Check the appropriate box(es) if you wish to contribute in addition to your existing tax liability. Please enter total of lines 18a through 18d.....	18.		00
		18a. Nongame Wildlife Program <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or <input type="checkbox"/> 00 (specify amount)			
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	18d. Montana Military Family Relief Fund <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or <input type="checkbox"/> 00 (specify amount)				
19. Add lines 15, 17 and 18; enter the result here. This is the sum of your tax, penalties, interest and contributions.	19.		00		
20. If line 19 is greater than line 16, enter the difference. This is the amount you owe.	20.		00		
Visit our website at revenue.mt.gov to pay by credit card or e-check, or make your check payable to MONTANA DEPARTMENT OF REVENUE.					
21. If line 16 is greater than line 19, enter the difference. This is your refund.	21.		00		



For Direct Deposit of your refund, complete 1, 2, 3, and 4. Please see instructions on page 5.

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



Name, address and telephone number of paid preparer Do not mail forms and instructions next year

Paid preparer's PTIN, SSN or FEIN:

May the DOR discuss this tax return with your tax preparer? See instructions on page 6. Yes No

Your signature is required	Date	Daytime telephone number	Spouse's signature	Date
X			X	

I declare under penalty of false swearing that the information in this tax return and attachments is true, correct and complete.

Questions? Call us toll free at (866) 859-2254 (in Helena, 444-6900), or TDD (406) 444-2830 for hearing impaired.

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<ul style="list-style-type: none"> If your filing status is single (filing status 1) enter \$3,990. This is your maximum standard deduction. If your filing status is joint (filing status 2) enter \$7,980. This is your maximum standard deduction. 	
4. Enter the amount from line 2 or 3, whichever is smaller.....	4. <input type="text"/>
5. Enter the amount below that corresponds to your filing status.....	5. <input type="text"/>
<ul style="list-style-type: none"> If your filing status is single (filing status 1) enter \$1,770. This is your minimum standard deduction. If your filing status is joint (filing status 2) enter \$3,540. This is your minimum standard deduction. 	
6. Enter here and on Form 2EZ, line 11, the amount from line 4 or line 5, whichever is larger. This is your standard deduction	6. <input type="text"/>

Calculation of Interest on Underpayment of Estimated Taxes – Short Method

You are required to pay your income tax liability throughout the year. You can make your payments through employer withholding, through installment payments of estimated taxes, or through a combination of employer withholding and estimated tax payments.

You are not required to make estimated tax payments if one of the following conditions applies to you:

- Your combined tax liability after you applied your withholding and estimated tax payments is less than \$500.
- You did not have a 2009 income tax liability and you were a citizen or resident of the United States the entire year.
- You retired in either 2009 or 2010 after reaching the age of 62.
- You became disabled in either 2009 or 2010.
- You are a farmer or rancher and 66-2/3% of your 2010 gross income is derived from your farming and ranching operation. Your 66-2/3% farming and ranching income is determined annually and is based on your 2010 gross income. Please note that Montana does not use the same "lookback" period that the Internal Revenue Service uses to determine the percentage of your farming and ranching income for federal income tax purposes.

If you did not pay in advance at least 90% of your 2010 income tax liability (after applying your credits) or 100% of your 2009 income tax liability (after applying your credits), you may have to pay interest on the underpayment of your estimated taxes.

If you are required to pay interest on your underpayment, you can use this short method to determine your interest, but only if you've done either of the following:

- You made non-estimated tax payments or your payments were only Montana withholding; or
- You made four equal estimated payments by the required due dates.

If you are not eligible to use this short method to calculate your interest on your underpayment, use Montana Form EST-1, Interest on Underpayment of Estimated Tax Payments. This form is available on our website at revenue.mt.gov, or call us toll-free at (866) 859-2254 (in Helena, 444-6900).

1. Enter here your 2010 total tax liability as reported on Form 2EZ, line 15.....	1. <input type="text"/>
2. Multiply line 1 by 90% (0.90) and enter the result here.....	2. <input type="text"/>
3. Enter the amount from line 16 here.....	3. <input type="text"/>
4. Subtract line 3 from line 1 and enter the result here. If your result is \$500 or less, stop here; you do not owe interest on your underpayment.....	4. <input type="text"/>
5. Enter here the 2009 income tax liability that you reported on your 2009 Form 2, line 53; Form 2M, line 47; or Form 2EZ, line 15.....	5. <input type="text"/>
6. Enter the smaller of line 2 or line 5 here.....	6. <input type="text"/>
7. Enter the amount from line 16 here.....	7. <input type="text"/>
8. Subtract line 7 from line 6 and enter the result here. If the result is zero or less, stop here; you do not owe interest on your underpayment. This is your total underpayment for 2010	8. <input type="text"/>
9. Multiply line 8 by 0.05320 and enter the result here.....	9. <input type="text"/>
10. If you paid the amount on line 8 before April 15, multiply the amount on line 8 by the number of days you paid before April 15 and then multiply by 0.0002192.....	10. <input type="text"/>
11. Subtract line 10 from line 9 and enter the result here and on Form 2EZ, line 17. This is your interest on underpayment of estimated taxes	11. <input type="text"/>

2010 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	\$2,600	1% (0.010)	\$0	
\$2,600	\$4,600	2% (0.020)	\$26	
\$4,600	\$6,900	3% (0.030)	\$72	
\$6,900	\$9,400	4% (0.040)	\$141	
\$9,400	\$12,100	5% (0.050)	\$235	
\$12,100	\$15,600	6% (0.060)	\$356	
More Than \$15,600		6.9% (0.069)	\$496	

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

\$204 Minus \$72 = \$132 Tax

Individual Income Tax Forms Available Upon Request

These forms are available on our website at revenue.mt.gov, and may be available at your local bank, courthouse, library or post office. You can also order your forms by calling us toll free (866) 859-2254 (in Helena, 444-6900).

Form Name	Description	Form Name	Description
2EZ Booklet.....	2010 Individual Income Tax Form 2EZ with Instructions	FRM.....	Farm and Ranch Risk Management Account
2M Booklet.....	2010 Individual Income Tax Form 2M with Instructions	HI.....	Health Insurance for Uninsured Montanans Credit
2 Booklet.....	2010 Individual Income Tax Form 2 with Instructions	IND	Tribal Member Certification (formerly known as Indian Certification)
2EC.....	Montana Elderly Homeowner/Renter Credit	IUFC	Infrastructure User Fee Credit
2101.....	W-2 Withholding Declaration	MHPE	Mobile Home Park Exclusion
2441-M	Child and Dependent Care Expense Deduction	MINE-CRED	Mineral and Coal Exploration Incentive Credit
AEPC.....	Alternative Energy Production Credit	MSA.....	Medical Care Savings Account
AFCR.....	Alternative Fuel Credit	NOL	Montana Net Operating Loss Worksheet (1999 and subsequent years)
BBSC.....	Biodiesel Blending and Storage Credit	NOL-Pre 99	Montana Net Operating Loss Worksheet (1998 and prior years)
CC	College Contribution Credit	NR-1	North Dakota Reciprocal Affidavit
DCAC	Dependent Care Assistance Credit	NR-2	Employee Certificate of North Dakota Residence
DS-1	Disability Income Exclusion Calculation	OSC.....	Oilseed Crushing and Biodiesel/ Biolubricant Production Facility Credit
ECC.....	Elderly Care Credit	QEC.....	Qualified Endowment Credit
ENRG-A.....	Geothermal Systems Credit	RSCH	Increase Research and Development Activities Credit
ENRG-B.....	Alternative Energy Systems Credit	RCYL	Recycle Credit
ENRG-C	Energy Conservation Installation Credit	TELC	Temporary Emergency Lodging Credit
ESA.....	Estimated Tax Annualization Worksheet	VT	Veteran's Program Contribution and Deduction
EST-I.....	Interest on Underpayment of Estimated Tax	Worksheet IX.....	Tax Benefit Rule for Recoveries of Itemized Deductions
ESW	Estimated Individual Income Tax Worksheet		
EXT-10.....	Extension Payment Worksheet		
FPC	Film Employment Production and Qualified Expenditures Credit		
FTB.....	First-Time Home Buyer Savings Account		

Important Numbers

Tax Questions and Assistance toll free (866) 859-2254 (in Helena, 444-6900)
Forms Request..... toll free (866) 859-2254 (in Helena, 444-6900)
For the Hearing Impaired (406) 444-2830
Fax (406) 444-6642

Montana Department of Revenue
Post Office Box 5805
Helena, MT 59604-5805

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MONTANA DEPARTMENT
OF REVENUE

No Return

Important Reminders

If you file your tax return electronically, be sure to:

- ▶ Watch for confirmation that your tax return was received by the Montana Department of Revenue.
- ▶ Make an electronic payment or send a check or money order by April 15, 2011 if you owe.
- ▶ Keep a copy of your tax return with all schedules, worksheets, receipts and other supporting documents.

If you file your tax return by mail, be sure to:

- ▶ Check the appropriate box or boxes indicating your exemption(s).
- ▶ Sign the tax return. If you are filing a joint tax return, your spouse must also sign the tax return.
- ▶ Sign your check or money order if you have included a payment. Do not send cash.
- ▶ Include all W-2s. Also include any 1099s reporting Montana withholding that you were issued for 2010.

- ▶ Use the correct address to mail your individual income tax return.

If you have a refund or no payment due:

Montana Department of Revenue
PO Box 6577
Helena, MT 59604-6577

If you are sending a payment and voucher:

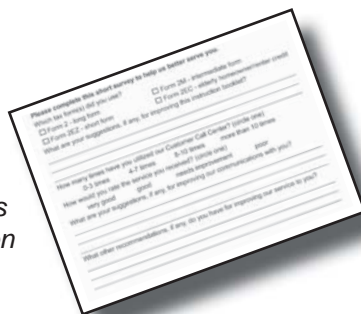
Montana Department of Revenue
PO Box 6308
Helena, MT 59604-6308

- ▶ Include all state and federal schedules that support figures on your tax return. You do not need to include worksheets. You also do not need to include schedules that are blank.
- ▶ Keep a copy of your tax return with all schedules, worksheets, receipts and other supporting documents.

We value your comments and suggestions.

The Montana Department of Revenue works for you.

That's why we look forward to hearing what you have to say. Please let us know how we are doing by completing the improvement survey attached to this instruction booklet. Your comments and suggestions will help us do an even better job for you. And that makes our tax system work for all Montanans!



Where's
My Refund?



revenue.mt.gov

Click on the Where's
My Refund icon.