



Employee Certificate of Status under the Military Spouses Residency Relief Act (MSRRA)

Purpose

Under Montana law, employers who do not withhold Montana income tax from employee compensation may be held personally liable for taxes, penalties, and interest (15-30-2503, MCA). However, this form provides a claim of exemption for nonresident military spouses, which protects the employer from liability for failure to withhold.

The nonmilitary spouse needs to complete this form and the employer needs to retain it with the current year's payroll records. The exemption for the employee and protection for the employer under this form last no longer than one calendar year.

During the calendar year, an employee who no longer meets the qualifications for exemption needs to immediately notify his or her employer; Section II of this form is for this purpose. The employer should begin withholding in the pay period after the employer receives the notice of ineligibility. Unless the employer actually knows that the employee does not qualify for the exemption, however, the employer may rely on the claim of exemption obtained from the employee for the entire calendar year.

Requirements for Exemption

- The service member and spouse must have the same non-Montana residence (domicile).
- The service member must be serving in Montana in compliance with military orders.
- The nonmilitary spouse of the service member must have moved to Montana solely to be with the service member.

When these requirements for exemption are met, the MSRRA prevents any state other than the couple's state of residence from taxing the nonmilitary spouse's compensation.

Some reasons eligibility for exemption will terminate include:

- Divorce.
- The nonmilitary spouse chooses to become a Montana resident.
- The service member is no longer serving in Montana.

Instructions for Employee

Please complete two copies of this form (Sections I and II). Have your employer fill out Section III. File one copy with your employer and keep the other with your income tax records; the Montana Department of Revenue may require you or your employer to provide a copy. You need to provide the documentation listed in Section III when you give this form to your employer.

Instructions for Employer

Please complete Section III and retain copies of the documentation if copies are provided. You do not need to send this form to the Montana Department of Revenue. You should retain this form and any copies of documentation with your current year's payroll records.

Questions?

If you have questions, please call the Department of Revenue toll-free at (866) 859-2254 (in Helena, 444-6900)

Section I – Claim of Exemption for a Nonmilitary Spouse

You need to complete this section to prevent your employer from withholding Montana income tax from compensation that is exempt from Montana income tax under the MSRRA. This exemption is for the calendar year that you indicate below. **Please note:** If you do not complete “Year the exemption is applicable,” the certificate is not valid and withholding is required.

I, _____, certify that:

1. I am the spouse of a servicemember who is in Montana in compliance with military orders.
2. My spouse and I are legal residents (domiciliaries) of the state of _____.
3. I am in Montana solely to be with my spouse.

_____ Year the exemption is applicable (you need to complete a new certificate each year).

I declare under penalty of law (45-7-203, MCA – unsworn falsification to authorities) that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Signature Date Social Security Number

Section II – Notice of Ineligibility for a Nonmilitary Spouse

You should complete this section if you become ineligible for exemption under the MSRRA during the calendar year for which you have claimed exemption.

I am no longer eligible for the exemption from withholding of Montana income tax under the Military Spouses Residency Relief Act.

Signature Date Social Security Number

Section III – Employer Verification

Please verify that the nonmilitary spouse provided proof of the following documentation with Form MSR.

- Service member’s latest Leave and Earnings Statement (LES).
- Nonmilitary spouse’s military I.D., which clearly identifies the spouse as a spouse of the service member.

Signature Date