

March 14, 2013



Montana Tax News You Can Use

Tribal member settlement payments: Update regarding taxability of Keepseagle payments

The information on our Frequently Asked Questions page, [Tribal Member Income Tax Filers -- Settlement Payments](#), has been updated to provide additional guidance regarding the taxability of the Keepseagle payments.

Payments from the Cobell v. Salazar and Tribal Trust Accounting and Management settlements are not subject to tax under federal tax law and are therefore not subject to Montana's individual income tax. In contrast, the Keepseagle payments are subject to tax under federal tax law, and therefore the department believes the taxability of the Keepseagle v. Vilsack settlement payments depends on federal Indian law and individual situations. As a result, the department suggests that people receiving Keepseagle payments seek assistance from a tax preparer to determine whether their payments are subject to Montana's individual income tax.

We have provided additional analysis and guidance on the FAQ page in response to questions we have received about this matter.

From the Call Center: Requesting waiver of penalty and interest

If you would like to request a waiver of penalty and interest on tax due for any of your clients, please keep in mind these points:

- The waiver must be sent within 30 days of the first Statement of Account.
- The waiver must be in writing. If you like, you can use Form [APLS101F](#).
- You can send the waiver either by email to soaobjections@mt.gov or by mail to Montana Department of Revenue, PO Box 7149, Helena, MT 59604-7149.
- You need to establish reasonable cause for the waiver. Click [here](#) for more on reasonable cause.
- Reasonable cause for waiver of the *late payment penalty* automatically exists if you both 1) pay all tax and interest due and 2) send your request for waiver within 30 days of the date of the first Statement of Account. If you meet both of these qualifications, please check the "request for waiver of late payment penalty (only)" box on Form APLS101F.
- There is a \$100 limit per taxable period on the amount of interest that can be waived.

Do you have suggestions for our income tax forms?

We continuously strive to provide tax forms that are easily completed and understood by everyone who uses them. To that end, we're now beginning the process of reviewing and updating the Montana tax forms for the next tax year, as we do every year around this time. As a preparer, you use many of these forms on a daily basis and see many different situations play out on them. For that reason, we would like to hear, and would value, any comments or suggestions you have regarding our tax forms.

Please feel free to [email](#) those comments or suggestions to Amanda Degenhardt, Income Tax Specialist.

Big response to the PTAP postcard

Back in January, the Department of Revenue mailed out thousands of postcards to property owners we thought might qualify for our Property Tax Assistance Program (PTAP). We wanted to gain the attention of the thousands of Montanans we estimate are eligible for the program but haven't yet applied for it.

With around 20 out of Montana's 56 counties reporting, the postcard has so far generated more than 2,700 calls and more than 170 walk-ins at department offices. The counties that haven't reported yet include some of the state's most populous. We estimate that, statewide, postcards have generated around 4,000 calls.

By the end of April, we should have a pretty good idea of how many new taxpayers the postcard has encouraged to take advantage of the tax relief PTAP offers.

Legislative update

During every legislative session in Montana, legislators sponsor bills that would have an impact on Montana's tax system. This regular section of Tax News You Can Use keeps you up-to-date on some of those bills currently making their way through the 2013 legislative session.

SB208 would repeal the water's edge election for corporate tax in favor of worldwide reporting, though would allow a current water's edge election to remain in effect until it expires. Click [here](#) to read more.

SB309 would, conversely, increase the number of countries on the list of tax havens and would do away with the term "tax havens" and instead use "non-exempt countries." Click [here](#) to read more.

To track the progress of or to read any 2013 bill, click [here](#).

Target tax dates

- The deadline for the annual filing of Form **CLT-4S** is March 15.

- The deadline for real property owners and mobile home owners to apply for the **Property Tax Assistance Program** is April 15.
- The first **estimated individual income tax payment** is due on April 15.
- The deadline for the annual filing of Forms **PR-1, FID-3, 2, 2M, 2EZ** and **2EC** is April 15.
- The deadline for the annual filing of Form **CLT-4** is May 15.

Tax facts

As of March 8...

- Number of individual tax returns we've received electronically: 188,290
- Number of business returns we've received electronically: 12,434
- Number of refunds we've issued: 171,763
- Average amount of refunds: \$396.10
- Average number of days in which taxpayers have received a refund after filing an electronic return: 4.56
- Average number of days in which taxpayers have received a refund after filing a paper return: 20.5

Vendor update

Every year tax software vendors seek approval to participate in the Montana federal/state electronic filing program. You can view the current list of 2012 approved tax software products [here](#). Software vendors periodically update their software to help tax preparers avoid known filing errors and problems. Please remember to configure your tax software to automatically accept these updates.


For more information, email dore-services@mt.gov.

New POA form for taxpayers

Did you know we have an updated Power of Attorney (POA) form that is now similar to the IRS form? You can access it [here](#). As with the IRS, we no longer allow spouses to file a joint POA. Each spouse now has to complete his or her own form.

Contact us

Visit us online at revenue.mt.gov or call us toll-free at (866) 859-2254 (in Helena, 444-6900).

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Montana Tax News You Can Use is published weekly during tax season and is for anyone who helps people file taxes and meet their tax responsibility. It keeps you posted on what's happening at the department, lets you know about new ways of preparing and filing taxes and brings you up-to-date on some of the issues and trends popping up during tax season in Montana. To subscribe, please visit www.revenue.mt.gov and click on "sign me up."

We welcome your suggestions and ideas for articles, as well as your questions and comments. Please send them to DORWritingProject@mt.gov.