



Montana Tax News You Can Use

IRS penalty relief for late 2012 forms does not extend to Montana income tax returns

The IRS recently announced that it would provide late-payment penalty relief to some individuals and businesses that are requesting a federal tax filing extension. The IRS is providing this relief to those who are attaching to their returns forms the IRS was delayed in publishing this year. IRS [Notice 2013-24](#) has more details about this relief and a complete list of eligible forms.

Please note that, under state law, the Department of Revenue is not able to extend this relief to Montana individual income tax returns that come from those who are also filing these eligible federal forms. If taxpayers have a valid extension, they still need to pay the tax by the original due date of the return (April 15). If they don't pay this amount by that date, the law requires the department to begin assessing payment penalty and interest on April 15.

However, [ARM 42.3.115](#) does offer some relief from the late payment penalty to those who do not pay their taxes by the original due date of the return. These taxpayers can potentially have their late payment penalty waived if they request the waiver in writing within 30 days of the first statement of account.

Electronic payment options are fast, convenient and secure

Taxpayers now have several options for making electronic tax payments. Here are some of the most popular methods:

1. **Electronic funds withdrawal**--available when you electronically file your state and federal returns at the same time. You can authorize a payment withdrawal from your financial account on the date you choose (but no later than April 15). There is no fee for an electronic funds withdrawal.
2. **Income Tax Express (ITE)**--a secure way for individuals to make a payment using their checking/savings account or a debit/credit card. ITE is available for paying current or past year state individual income taxes or estimated taxes online. See [ITE instructions](#) for more details.
3. **Mobile Payment.** [ITE](#) also allows you to pay your tax using a smart phone or other mobile device. Payments can be made by e-check or credit card. Another option for Android users currently includes downloading the [MT Income Tax Express](#) app.
4. **ACH credit payment.** We encourage businesses to make payments electronically. Available for more than 40 tax types, ACH credit payment is a convenient and secure way for businesses to do so. All the information businesses need to participate in the ACH credit payment program is located on our website at [Montana ACH Credit Payments](#).

Visit our website at revenue.mt.gov for more payment options.

Assisting those who assist taxpayers

The Department of Revenue provides assistance with individual income tax returns through its website, call center and statewide local offices. But did you know that we also have an income tax specialist who offers statewide training to the volunteers who help people with their tax returns?

Brian Olsen has been travelling Montana for eight years, training volunteers at Volunteer Income Tax Assistance (VITA) and the American Association of Retired Persons (AARP). Volunteers with these two groups assist the elderly and low-income citizens of Montana with their tax returns. He typically offers training in Helena, Billings, Butte, Missoula, Great Falls, Kalispell and Bozeman, but has been known to make a side trip to a smaller town if he happens to be nearby, such as stopping in Stevensville after providing training in Missoula.

In addition to training volunteers during his travels, Brian also meets with paid tax preparers and accountants to go over law changes, rule changes and any recent legal decisions.

"I enjoy the face-to-face interaction I have with tax preparers, both the professionals and volunteers," Brian says. "It allows me to communicate directly with the people I serve and hear their questions and concerns."

For questions, or to discuss these training sessions with Brian, please contact him at 406-444-2994 or email him at bolsen@mt.gov.

Receiving an extension on a Montana individual income tax return

To qualify for an automatic, six-month extension to file a Montana individual income tax return, taxpayers need to, by April 15, have paid either (1) 90% of their current year Montana income tax liability or (2) 100% of their prior year Montana income tax liability. Starting in tax year 2012, taxpayers also qualify for an extension if their 2012 [tax liability is \\$200 or less](#).

To ensure they have met the requirements listed above and to see if they need to make an extension payment, taxpayers should review and complete Montana Form [EXT-12](#), Extension Payment Worksheet. If an extension payment is necessary, they can [pay it online](#) or by using the tax payment voucher from the bottom of Form EXT-12.

Please remember that *filing a federal request for an extension does not have any bearing on receiving a Montana extension*.

A valid Montana extension gives taxpayers until October 15, 2013, to file. Unless taxpayers qualify for the extension because their tax liability is \$200 or less, an extension of time to file is not an extension of time to pay. Late pay penalties and interest begin accruing on April 15 until the tax liability is paid in full.

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.

[SB398](#) would, beginning in 2015, shorten the property reappraisal cycle for class-three agricultural land, class-four residential and commercial property, and class-ten forest land from the current six years to two years.

[SB394](#) would provide a one-time, five-percent, across-the-board tax cut for the 2014 tax year.

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

Extended hours at the Call Center

Anyone who has questions about filing taxes can call the department's Call Center toll free at (866) 859-2254, or in Helena at 444-6900. Regular Call Center hours are Monday through Friday, 8 a.m. to 5 p.m.

We have extended those hours for this last week of tax season. Through Friday, April 12, we will be available from 7 a.m. until 6 p.m. On Monday, April 15, we will be available from 7 a.m. until 8 p.m.

Target tax dates

- 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 April 5...

- Total number of individual income tax returns we've processed: 327,488
- Number of individual tax returns we've received electronically: 296,239
- Number of business returns we've received electronically: 23,622
- Number of individual income tax refunds we've issued: 264,994
- Average amount of refunds: \$414.73
- Average number of days in which taxpayers have received a refund after filing an electronic return: 5
- Average number of days in which taxpayers have received a refund after filing a paper return: 22

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.

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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edited by [Ted Brewer](#)

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.