

April 18, 2013



## Montana Tax News You Can Use

### A word of thanks from Mike Kadas, Montana Department of Revenue Director

I would like to thank all of you for the long hours you've put in the last few months helping people file their taxes correctly and on time. We understand that the last few weeks of tax season are the most grueling.

This is our last issue of *Montana Tax News You Can Use* for the 2013 tax season. From now until tax season rolls around again in January, we'll be publishing and emailing *Montana Tax News You Can Use* on an occasional, as-needed basis--that is, whenever we have some useful or important information we'd like to pass along to you.

In a few weeks you'll receive an invitation to fill out a brief survey regarding *Montana Tax News You Can Use*. The survey results will help us determine how we might improve the newsletter and better serve you. We would appreciate it if you took a moment to complete it. We value any suggestion and comments you might have to offer.

Thank you again for subscribing to our newsletter. We hope you all have the chance to catch up on your sleep and find some time to enjoy yourselves after the busy tax season. You deserve it!



### Department of Revenue no longer sending non-payer notification letter

Beginning with tax year 2013, the Montana Department of Revenue stopped sending the wage withholding non-payer letter for monthly and accelerated remitters. We determined that this letter had, at times, been more of a burden for preparers than an effective tool. Taxpayers will continue to receive non-filer letters for the MW-3 if it is not filed. We encourage all taxpayers to reconcile their Montana taxes at the same time as their federal even though they are not required to file a quarterly reconciliation with the state.

Please keep in mind that, in the future, taxpayers may not realize they've missed a payment until they've completed a year-end reconciliation or until they've received a statement of account from the department reflecting the missed period. We've noticed that taxpayers are most likely to forget payments for the first three months of the year.

If you need to contact the department concerning your client's payments, please be aware that a [POA \(Power of Attorney\)](#) form should be on file.

## From Marilyn Trevino, Call Center lead

People often ask those of us who work in the Call Center what it's like to take calls on April 15.

I can't speak for other states, but the kindness and empathy shown by Montana's citizens, taxpayers and tax preparers make my April 15 experience a positive one.

Tax season, especially the last day, can be very stressful for everyone involved. I can hear the worry in some of the callers' voices as they ask their questions. Once we answer the questions, it is nice to hear the relief in those same voices.

I think the biggest surprise is how appreciative the callers are that we are here to answer their questions. There are many well wishes that we "get through the day" in good order.

April 15, 2013, was a busy day. Our Citizens Services team of nine answered more than 1,350 calls. Everyone waited patiently. For that, those of us in the Call Center want to say thank you, Montana!

The business of paying taxes to provide revenue to run the state is not a fun, easy or pleasant experience, but Citizens Services and the entire Department of Revenue strive to make that experience as easy as possible. We've come a long way and we are moving forward with some exciting and positive enhancements for next year.

## Legislative update

This being the last issue of *Tax News You Can Use* during the 2013 legislative session, we'd like to bring you up-to-date on some of the tax-related bills we've covered here over the last few months.

Of the three tax simplification bills proposed this session, only one is still alive--[SB 282](#). In its original form, this bill would have lowered the number of income tax rates from seven to two--four percent on taxpayers' first \$15,600 and 5.9 percent on all additional taxable income. On Monday, the House amended the bill, lowering those two rates to 3.5 percent and 5.75 percent and restoring some tax credits, on alternative energy and energy conservation, eliminated in the original draft.

[SB108](#), extending for six years the tax credit on planned gifts to permanent endowment funds of a nonprofit organization, passed the House and is headed to the governor's office.

[SB96](#), lowering the class 8 business tax equipment rate to 1.5 percent on the first \$10 million in equipment, has been voted out of House committee.

[SB208](#), repealing the water's edge election for corporate tax in favor of worldwide reporting, has probably died. [SB309](#), increasing the number of countries on the list of tax havens, has probably also died.

[SB375](#), addressing "dark money" in elections and removing the itemized deduction for political campaign contributions in calculating personal income tax, was tabled in House committee.

[SB179](#), requiring pass-through entities with more than 100 members to file their state returns and reports electronically, passed the House and has been transmitted to the governor's office.

[SB81](#), allowing tax credits for contributions to organizations that award grants and scholarships to children who attend private schools in Montana, was tabled in House committee. [HB213](#), providing a tax credit for tuition paid to a private elementary or secondary school, was tabled in Senate committee.

[SB398](#), shortening the reappraisal cycle from six years to two years for most types of property, is still active in second House committee.

[SB394](#), providing a one-time, five-percent, across-the-board tax cut for the 2014 tax year, is still active in House committee.

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-4** is May 15.

## Tax facts

As of April 12...

- Total number of individual income tax returns we've processed: 377,316
- Number of individual tax returns we've received electronically: 339,589
- Number of business returns we've received electronically: 26,788
- Number of individual income tax refunds we've issued: 295,485
- Average amount of refunds: \$418.05
- 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

As of the end of March, the department collected \$660 million in income tax for fiscal year 2013. Indications are that the state will collect significantly more income tax this year over last.

Here's a rundown of how much income tax the department has collected, in the millions of dollars, over the past five fiscal years, indicating the economic path the state has taken since before the Great Recession started:

2008: \$870  
2009: \$827  
2010: \$714

2011: \$813  
2012: \$900


## 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.

## Contact us

Visit us online at [revenue.mt.gov](http://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](http://www.revenue.mt.gov) and click on "sign me up."

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