

April 10, 2014



Montana Tax News You Can Use

An e-newsletter for tax preparers and those interested in the state's tax system

Estimated payment voucher booklets for 2014

Until last year, taxpayers who use preparers were getting estimated tax payment vouchers from both the Department of Revenue and from their preparers and were unsure about which voucher to use. To reduce this confusion and save the state some money, several accountants suggested that we discontinue mailing estimated tax payment vouchers to taxpayers who used preparers in 2012. We decided to take the accountants up on their suggestion and, this year, stopped mailing vouchers to those taxpayers. This has reduced our printing and mailing costs significantly. Paper payment vouchers are still available on our [website](#) or by calling us toll free at (866) 859-2254.

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. **Taxpayer Access Point (TAP)** - a secure way for individuals or businesses to make a payment by e-check withdrawal or by debit/credit card. There is no fee for an e-check withdrawal, but fees are applied when paying with a debit/credit card. TAP is a free electronic service for accessing your Montana tax account information and more.
3. **Income Tax Express (ITE)** - a secure way for individuals to make a payment by e-check withdrawal or by

debit/credit card. You can use [ITE](#) for paying current or past year state individual income taxes or estimated taxes online. See [ITE instructions](#) for more details. There is no fee for a checking/savings account withdrawal, but fees are applied when paying with a debit/credit card.

4. **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 withdrawal or debit/credit card. Another option for Android users currently includes downloading the [MT Income Tax Express](#) app.
5. **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. To view the instructions businesses need to participate in the ACH credit payment program, click on the "Business Tax" tab on our [Online Services web page](#) and scroll to the bottom.

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

Allocating payments on individual tax returns when using married filing separately status

When your clients file as married filing separately on the same form and make estimated payments, we allocate those payments as we receive them. Only estimated payments can be allocated, and we apply them to one spouse or another according to the voucher we receive or the comments written on the memo line of the check.

Your clients can use Line 58 on Form 2 to reallocate estimated payments when they file the return. Our computer system, however, does not automatically reallocate based on the return, which means there may be instances when the payment allocation does not match the return allocation. In some situations, the department's staff will manually reallocate payments following the direction provided on the return as closely as possible. This may create a slight delay in processing the return. We therefore encourage your clients to determine how they want those payments allocated when making the payments and before filing.

If your clients are unsure how the payments were allocated, they should log into Taxpayer Access Point or contact the department before they file a return to verify that we have applied the estimated payments to the intended spouse.

Also, Montana income tax withheld, reported on line 55 of Form 2, must be reported by the spouse whose name appears on the Forms W-2 and 1099.

Receiving an extension on a Montana individual income 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. Taxpayers also qualify for an extension if their 2013 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-13, Extension Payment Worksheet](#). If an extension payment is necessary, they can pay it online by going to our [homepage](#) and clicking on "Online Services" or with a check by using the tax payment voucher from the bottom of Form EXT-13.

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, 2014 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.

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 will be extending those hours during the last week of tax season. On April 10 and 11, we will be available from 7 a.m. to 6 p.m. On Saturday, April 12, we will be available from 10 a.m. to 2 p.m. And on April 14 and 15, we will be available from 7 a.m. to 8 p.m.

Approved tax software for 2013

Every year tax software vendors seek approval to participate in the Montana federal/state electronic filing program. We test the software of each vendor to ensure that it's compatible with our electronic filing system. You can find the latest approval status of each product [here](#).

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

Target tax dates

April 15: The deadline for...

- Submitting an application for the Property Tax Assistance Program
- Filing individual state income tax returns
- Filing estate and trust income tax returns (Form FID-3)
- Filing partnership returns (Form PR-1)
- Filing disregarded entity returns (Form DER-1) for entities owned by partnerships


Tax facts

For 2014, as of April 4...

- Total number of individual income tax returns we've processed: 327,685
- Number of individual tax returns we've received electronically: 303,712
- Number of business returns we've received electronically: 21,284
- Number of individual income tax refunds we've issued: 269,239
- Average amount of refunds: \$416
- Total amount of refunds: \$112,003,424
- Average number of days it's taken us to issue a refund after receiving an electronic return: 3.5
- Average number of days it's taken us to issue a refund after receiving a paper return: 21
- Number of fraudulent tax returns we've intercepted: 192
- Amount in fraudulent refunds we've prevented: \$309,727

Contact us

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

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Montana Tax News You Can Use is published weekly during tax season and periodically at other times. It is for anyone who helps people file taxes and meet their tax responsibility and for anyone simply interested in the state's tax system. 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 the [newsroom](#) page on our website and click on the "Tax News You Can Use" tab.

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