

# Montana *Tax News You Can Use*

Montana Department of Revenue

May 4, 2017

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



## Thank You from Mike Kadas, MT Dept. of Revenue Director

I would like to thank all of you for the long hours you've put in this tax season to help people file their taxes correctly and on time. We understand that the last few weeks of tax season can be the most exhausting.

We hope our regular issues of *Montana Tax News You Can Use* have helped you along the way.

We encourage you to let us know how we're doing at meeting your needs. We rely on your feedback to ensure that we're offering Montana's taxpayers the best service possible. If you have suggestions for how we do business, email them to [DORCustomerAssistance@mt.gov](mailto:DORCustomerAssistance@mt.gov) or call toll-free (866) 859-2254 (444-6900 in Helena).

We'd also value any suggestions or comments you have on Montana tax forms as we begin the annual process of reviewing and updating the forms for the next tax year. Email those comments or suggestions to Tracee Abel, Income Tax Specialist, at [TAbel@mt.gov](mailto:TAbel@mt.gov).

Thank you for subscribing to our newsletter. We hope you've had a chance to catch up on your sleep and find some time to enjoy yourselves after the demanding tax season. You deserve it!

## Tax Facts

For 2017, as of April 21:

- Total number of individual income tax returns we've processed: 464,316
- Number of individual tax returns we've received electronically: 432,843
- Number of individual income tax refunds we've issued: 324,927
- Average amount of refunds: \$465.75

## Filing Taxes after April 18

April 18 has come and gone, and you may have returns you were not able to file by the original due date. While it's too late to qualify for a filing extension, you may be able to help reduce the penalties and interest your client owes.

Consider completing the [2016 Extension Payment Worksheet \(EXT-16\)](#). It's too late to make a payment that would qualify the client for an extension, but it could turn out that your client already paid enough before April 18 to meet the requirements.

Interest and late payment penalties accrue from the original due date until the tax is paid, regardless of when the return is filed and whether the individual qualified for a filing extension. Making a partial or tentative payment even before you file the return helps lower the amount of interest or penalty owed. Also, remember that individuals who pay all tax and interest due within 30 days of the first Notice of Assessment (NOA) do not have to pay a late payment penalty. We mailed NOA letters this week (see related article in this issue).

## Assistance for Business Clinics (ABC) Schedule

**WHAT:** Assistance for Business Clinics (often called ABC clinics)

**WHY:** To assist new and established employers, accountants, and other professionals

**HOW:** By providing updates about state income tax withholding requirements, e-file applications that help businesses with their filing requirements, unemployment insurance tax requirements, workers compensation coverage, and other related subjects

**WHEN:**

May 10 in Bozeman

May 16 in Glasgow

May 17 in Sidney

May 18 in Miles City

For additional information, including the registration form and full 2017 schedule, visit [dli.mt.gov/ABC Schedule](http://dli.mt.gov/ABC_Schedule).

## Notice of Assessment (NOA) Letters Mailed

This week, the Department of Revenue is mailing the first individual income tax Notice of Assessment (NOA) letters for the 2016 tax year. If you or your clients have any questions or concerns regarding the NOAs, please contact us. In some cases, a payment may not have been applied as expected if it was submitted without the appropriate information. Department employees can research and make corrections if necessary on payments made for the 2016 tax year.

As explained in a previous edition of *Tax News You Can Use*, the department is now

using a revised format for notifying taxpayers of an initial assessment. The new NOA is a three-page document that includes additional information about appeal rights and payment options.

The NOA is period-specific and reflects a change in the way late payment penalty is assessed. In past years, the late payment penalty was included with the assessment and the taxpayer had to send a written request to receive a waiver of the penalty. With the new NOA, the late payment penalty is not included in the amount due. Instead, it is shown for informational purposes along with the due date to pay the tax and interest. Tax and interest need to be received before the late payment penalty is automatically waived.

The department will still send the Statement of Account (SOA) to taxpayers on the first of each month if the balance due on the NOA was not paid within 30 days. The SOA has also been expanded to include additional information helpful to the taxpayer and will include multiple tax periods if applicable.

## **Livestock Per Capita Fee Payments due May 31**

The Montana Department of Revenue recently mailed 2017 livestock per capita fee bills. Payment is due by May 31. Livestock owners can pay online at [ReportYourLivestock.mt.gov](http://ReportYourLivestock.mt.gov) or by mail with a check.

March 1 was the deadline for livestock owners to report livestock they owned as of February 1.

If owners already paid their 2017 fees when they reported their livestock, they will not receive a bill.

All Montanans benefit from programs funded by per capita fees. Livestock producers benefit from programs to monitor animal health, monitor and restrict livestock imports, track animal movements, prevent and investigate livestock theft, and manage predators. The general public benefits from programs that prevent the spread of animal diseases to humans.

For more information, visit [ReportYourLivestock.mt.gov](http://ReportYourLivestock.mt.gov) or call toll free 1-866-859-2254; in Helena, 444-6900.

## **Amended Tax Return and Required Schedules**

If a tax return filed for a tax year before 2015 was incorrect, you have *five years* from the due date of the original tax return to file an amended Montana tax return to correct the error. Tax returns filed for tax years 2015 and later are subject to a *three-year* statute of limitation.

Remember that all schedules must be included with an amended return even if an amendment did not affect the schedule. For example, an original tax return included Schedule V - Montana Tax Credits because the taxpayer claimed a credit. The taxpayer then amended his return, but the amendment did not affect the credit. The amended return should still include a Schedule V because the tax credit is still a claimed amount on the amended return.

It is important for all schedules to be included with an amended return for processing. Each tax return is treated like a new return in our information system and, if the information on a return is incomplete, processing errors and delays could occur.

You can file amended returns electronically with any approved software, even if you used a different software to file the original return. Check with your software provider to determine if it allows for filing amended returns. We process electronically-filed amended returns the same way we process the original return. After you submit the amended return electronically, the vendor software provides an acknowledgment of having received the return.

### **Property Tax Assistance Program (PTAP) and Montana Disabled Veteran (MDV) Determination Letters**

The department's Property Assessment Division has begun to review Property Tax Assistance Program (PTAP) and Montana Disabled Veteran (MDV) applications to determine qualification for tax year 2017 property tax reduction. All applicants will receive a determination letter from the department in May. The letters will inform applicants whether or not a reduction was granted and if granted, the percent reduction. Contact information is provided in the letters if applicants disagree with the department's determination.

### **Search for Unclaimed Property**

What is unclaimed property and where does it come from? It is cash from checks that have never been cashed or dormant bank accounts, intangible assets like stocks and bonds, and tangible personal property like the contents of a safe deposit box. It comes to the Department of Revenue whenever the organization issuing or holding these assets cannot locate the owner. The organization, such as a bank, business, or employer, must turn the assets over to the state, who receives it as "unclaimed."

You can search for and submit a claim for your unclaimed property at [TransAction Portal \(TAP\)](#). Click on the link "Search for Unclaimed Cash," enter your name, and then click "Search." Depending on the amount or type of property being claimed, we may require some documents to verify your identity and that the property belongs to you. If you prefer, you may call 444-6900 (Helena area) or 1-866-859-2254 (toll-free) to start a paper claim or email [UnclaimedProperty@mt.gov](mailto:UnclaimedProperty@mt.gov) for more information.

### **Administrative Rule Activity**

Go to [revenue.mt.gov/rules](http://revenue.mt.gov/rules) for information about the department's current rule making activity, public hearing dates, and to sign up to receive future notices by email.

## **Contact MT DOR**

**Web:** [Revenue.mt.gov](http://Revenue.mt.gov)

**Email:** [DORCustomerAssistance@mt.gov](mailto:DORCustomerAssistance@mt.gov)

**Helena Area:** (406) 444-6900

**Toll Free:** 1-866-859-2254



**Tax News You Can Use:** [DORWritingProject@mt.gov](mailto:DORWritingProject@mt.gov)

We welcome your suggestions for articles, as well as your questions and comments.

*It pays to follow Revenue on Twitter: @MTRRevenue*

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Go to the [Newsroom](#) page on [revenue.mt.gov](http://revenue.mt.gov) and click the "Tax News You Can Use" tab.

*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 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.

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Edited by [Wendy Brown](#)