



2015

**MeF
Partnership Information & Composite Tax
ATS Packet**

October 15, 2015

Montana MeF ATS Testing Overview

This test packet includes six tests for the Montana PR-1 return. The following pages will include the test scenario as well as a list of the form line items we expect to be completed for each test.

The information submitted in those lines will be determined by the developer, except for where specifically noted. The form lines listed are the minimum amount of information we expect to see on the return. If you would like to test additional information please feel free to do so. There are a few instances where we are testing negative values. The lines containing negative values will be indicated by parentheses. In the form line lists, some line numbers are followed by "E", "M" or "E/M". The "E" indicates the Everywhere column, the "M" indicates the Montana column, and the "E/M" indicates both Everywhere and Montana columns should be represented.

When submitting test returns to the department please send an email notification to DORMeF@mt.gov containing the following information.

- Compares document with vendor portion completed.
 - Form Name/Type
 - Software company name
 - Software product name
 - Date Submitted
 - ETIN
 - Submission ID numbers for all the test returns
- Electronic PDF copies of the test cases
 - Please include your ETIN and test return number in the file name
 - Example: **12345Test2.pdf**

Along with the information listed above please include a description of your software limitations that would change what we would be expecting to see in each test return.

Once the department receives notification and the test cases, a tester will be scheduled to review the returns. It is our intention to review all test returns within three (3) days of receipt. After the returns are reviewed the department will send a compares document identifying items that need to be corrected. When making corrections please resend all the returns in the test packet for review unless instructed otherwise.

Test 1: Form PR-1

Scenario: Cleaver Meat Processing files a calendar-year initial return from a Texas address. There are eighteen partners. Activity is apportioned between multiple states. The company has investment, capital activity and income listed as 'other'. They hold patents for meat processing equipment. The business receives a Montana K-1 with ordinary business income which is not subject to apportionment, but there is pass-through withholding. Payments include estimated and extension payments. The return was filed late and they have a valid extension. A portion of an overpayment is going to next year's estimates. They have credit recapture. They had credits for a deduction for purchasing recycled material on form RCYL.

Forms: PR-1; PR-1 Schedules: I, II, III, IV, VI, and MT-K-1s; Form RCYL, federal forms 1065, Schedule D, 4562, 8825, Montana K-1 from a partnership

Attachments: Other income detailed statement (from line 10);section 59(e) (2) expenditures detailed statement (from line 12d); US government obligations detailed statement (from line 16a); other deductions detailed statement (from line 16c);

Taxpayer Information:

Cleaver Meat Processing
2129 Boxer Ave
Dallas, TX 75206

FEIN: 00-3000100
Date registered in Montana: 06/01/2011
MT Secretary of State ID: D456789
State formed in: Texas
Date formed: 01/01/1991
Federal Business Code/NAIC: 211110

Partners:

See Test 1 Partner Info on next page

Additional Information

Total Montana Source Income: Greater than \$100,000,000.00
Tax Due / Overpayment: Refund Direct Deposit
RTN, Acct # : Data determined by developer
Payment account type: Checking
IAT: Yes (default to No if software does not support)
Tax Preparer: Data determined by developer
May DOR discuss with tax preparer: No
Do not need Form PR-1 sent next year: Box is not marked

PR1	32	Part II, 1
5	33	Part II, 2
6	34	Part II, 3
8	SCH I	Part III, A-H
11	1a E	11
12	1b E	Total
13c	1c E/M	SCH VI
13d	1d E	3
14	1h E/M	SCH K1
15	1m E/M	Include
16a	Total prop E/M	
16	1	
17a	3e E	
17c	Total sales E	
17	3	
18	4	
19	5	
20	SCH II	
21	4	
22	16	
23	17	
25a	18	
25b	19	
25c	SCH III	
26	Col A-G	
27b	8D	
27c	8E	
27f	8F	
(28)	SCH IV	
(30)	Part 1	

Test 1 Partner Info:

2 individuals, 2 Estates, 2 Trusts, 2 Foreign C-Corp, 2 Disregarded Entity, 2 Partnership, 2 SBC, 2 Tax Exempt, 2 Publicly Traded Partnership

Nonresident partners: 6

Clive Cleaver	ssn 400-00-0031	525 Bowman Rd Hamilton, MT 59840	composite	15%
Cindy Cleaver	ssn 400-00-0032	525 Bowman Rd Hamilton, MT 59840	tax withheld	15%
Christie Cleaver	ssn 400-00-0033	2720 Wood Dr. Billings, MT 59102	composite	5%
Chad Conway	ssn 400-00-0034	2720 Wood Dr. Billings, MT 59102	tax withheld	2%
Carol Conway	ssn 400-00-0035	2720 Wood Dr. Billings, MT 59102	composite	5%
Candy Conway	ssn 400-00-0036	5006 23 rd Ave Missoula, MT 59802	tax withheld	2%

Other partners: 12

Carl Cleaver, Inc	fein 40-0000037	112 West Road Houston, TX 77065	composite	10% (F)
Cece Cleaver-Craft, Inc	fein 40-0000038	PO Box 888 Dallas, GA 30132	tax withheld	3% (F)
Clark Craft, LLC	fein 400-00-0039	PO Box 888 Dallas, GA 30132	composite	3% (D)
Cory Cleaver-Craft, LLC	fein 40-0000040	112 West Road Houston, TX 77065	tax withheld	3% (D)
Clarissa Cleaver, LLP	fein 40-0000041	112 West Road Houston, TX 77065	composite	10% (P)
Chance Craft, LLC	fein 40-0000042	112 West Road Houston, TX 77065	tax withheld	3 % (P)
Cordellia Cleaver, Inc	fein 40-0000043	PO Box 786 Idaho City, ID 83631	composite	2% (S)
Conway Cleaver, Inc	fein 40-0000044	PO Box 786 Idaho City, ID 83631	tax withheld	9% (S)
Columbus Sausage Inc	fein 00-3000031	1 Texas Drive Glen Rose, TX 76043	composite	1% (TE)
Northwind University	fein 00-3000032	PO Box 786 Idaho City, ID 83631	tax withheld	5% (TE)
Clandestine, LLP	fein 00-3000033	PO Box 786 Idaho City, ID 83631	composite	5% (PTP)
Public INC	fein 003-300034	1 Texas Drive Glen Rose, TX 76043	tax withheld	2% (PTP)

Test 2: Form PR-1

Scenario: Package Express files a calendar-year Partnership return from a Nevada address. There are five partners. Income and expenses are allocated and apportioned between multiple states. The company has ordinary income, some capital activity and rental income. There is pass-through withholding, 75% of which is distributed to the partners. The company receives a K-1 from a partnership. The company files for four credits: the Infrastructure Users Fee Credit on form IUFC, Historic Property Preservation Credit on form 3468, and the Unlocking State Lands Credit. Payments include a carryover of estimated payments from the prior year. They are receiving a refund.

Forms: PR-1; PR-1 Schedules: I, II, III, IV, VI, and Montana K-1s; form IUFC, federal forms 1065, Schedule D, 4562, 8825, 3468;;K-1 from a partnership; Infrastructure Users Fee Credit form IUFC

Attachments: Other rental expenses detailed statement (from line 3b); other income detailed statement (from line 10)

Taxpayer Information:

Package Express
6708 East 109th Street
Tulsa, OK 74133

FEIN: 00-3000200
Date registered in Montana: 03/15/2001
MT Secretary of State ID: D123456
State formed in: Oklahoma
Date formed: 01/01/1997
Federal Business Code/NAIC: 519100

Partners:

See Test 2 Partner Info on next page

Additional Info

Tax Due / Overpayment: Refund Direct Deposit
RTN, Acct #: Data determined by developer
Payment account type: Savings
IAT: No
Tax Preparer: Data determined by developer
May DOR discuss with tax preparer: Yes
Do not need Form PR-1 sent next year: Box is marked

PR1	32	SCH III
1	34	Col A-G
2	SCH I	8D
3a	1a E/M	8E
3b	1b E/M	8F
3c	1c E	SCH IV
9	1d E	Part 1
11	1e E	Part II, 1
12	1f E	Part II, 2
13a	1g E	Part II, 3
13b	1i E	Part III, A-H
14	1m E/M	Total
15	Total prop E/M	SCH VI
16a	1	1
16b	2a E/M	5
16	2b E/M	5: Name
18	2c E/M	5: FEIN
19	Total payroll E/M	5: Payment
20	2	SCH K1
21	3e E/M	include
22	3f E/M	
23	Total sales E/M	
25a	3	
25b	4	
25c	5	
26	SCH II	
27a	8	
27f	9	
(28)	15	
(30)		

Test 3: Form PR-1

Scenario: Work Place Furniture files a calendar-year Partnership return from a Nevada address. This return is their second amended return and it is also their final return. This is a Technical Termination. Their original return was filed late. They had an underpayment on the original return, which they paid. The 1st amended had an overpayment. There are eight partners. All income and assets remain in Montana: there is no apportionment to another state. The company has ordinary income, some capital activity and receives income from a trust. The company reclaims the sawdust and manufactures an alternative energy pellet product and takes the Alternative Energy Production Credit on form AEPC. They also had credits for emergency lodging credit on form ELC, dependent care assistance on form DCAC and a deduction for purchasing recycled material on form RCYL.

Forms: PR-1; PR-1 Schedules: II, III, IV, VI, and Montana K-1s; form AEPC; form DCAC; form RCYL; form ELC; federal forms 1065, Schedule D, form 4797; K-1 from a trust

Attachments: Other deductions statement (from line 12e); other additions statement (from line 15c)

Taxpayer Information:

Work Place Furniture
125 Roberts St
Henderson, NV 89012

FEIN: 00-3000300
Date registered in Montana: 01/01/2001
MT Secretary of State ID: D789456
State formed in: Montana
Date formed: 01/01/2001
Federal Business Code/NAIC: 337122

Partners:

See Test 3 Partner Info on next page

Additional Info

Tax Due / Overpayment: Tax due paid by direct debit
Tax Preparer: Data determined by developer
May DOR discuss with tax preparer: Yes
Do not need Form PR-1 sent next year: Box is marked

PR1	SCH II
1	1
9	4
10	5
12	14
13a	SCH III
13c	Col A-G
13e	8D
14	8E
15	8F
16c	SCH IV
16	Part I
17b	Part II, 1
17	Part II, 2
18	Part II, 3
20	Part III, A-H
21	Total
22	SCH VI
27d	2
27e	SCH K1
27f	include
28	
29a	
29c	
29d	
29e	
29f	
30	
31	

Test 3 Partner Info:

5 individuals, 1 trust, 1 estate, 1 tax exempt entity

Resident partners: 4

Alice Appleton:	ssn 400-00-6831	1536 Phoenix Ave, Helena MT 59601	15%
Arnold Aries:	ssn 400-00-6842	2106 Grizzly Gulch Dr, Helena MT 59601	12%
Andy Adams:	ssn 400-00-6853	102 Oakwood Lane, Helena MT 59601	5%
Ariana Adame:	ssn 400-00-6864	608 Lincoln Road, Helena MT 59602	15%

Nonresident partners: 3

Estate of Art Arte :	fein 00-3000010	470 1 st St. El Centro, CA 92243	signed a PT-AGR 2001 18% (E)
Agnes Agnew:	ssn 400-00-6875	381 Blue Lake Ave, Rockford, IL 61102	composite tax paid 2%
Armfield Trust:	fein 00-3000011	115 Amanda Court, Oregon, WI 53575	composite tax paid 30% (T)

Other partners: 1

Abbey of Gethsemani:	fein 00-3000012	PO Box 736 Dubuque, Iowa 52001	composite tax paid 3% (TE)
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Test 4: Form PR-1

Scenario: Goldleaf Holdings files on a fiscal year July 1 to June 30. The company is involved in mining exploration and they have oil and gas royalties as well as income from coal, which is reported on the schedule D. They receive mineral royalty withholding, a portion of which is distributed to the partners, as well as guaranteed payments. There is an overpayment which is applied to estimated tax. They have College Contribution on form CC, Health Insurance for Uninsured Montanans credits on form HI, Biodiesel Blending and Storage Credit on form BBSC, and Mineral and Coal Exploration Incentive Credit on forms MINE-CERT and MINE-CRED. The return was filed late and they have a valid extension.

Forms: PR-1, PR-1 Schedules: II, III, VI, and Montana K-1s; Form CC; Form HI; Form MINE-CRED; Form BBSC; federal forms 1065, Schedule D

Attachments: Form MINE-CERT

Taxpayer Information:

Goldleaf Holdings
PO Box 806
Seeley Lake, MT 59868

FEIN:	00-3000400
Date registered in Montana:	08/24/2010
MT Secretary of State ID:	D654321
State formed in:	New York
Date formed:	01/07/1995
Federal Business Code/NAIC:	211111

Partners:

See Test 3 Partner Info on next page

Additional Info

Tax Due / Overpayment:	Overpayment, applied to estimates
Tax Preparer:	Data determined by developer
May DOR discuss with tax preparer:	Yes
Do not need Form PR-1 sent next year:	Box is not marked

PR1	(30)
1	32
4	33
7	SCH II
8	2
9	3
12	10
13c	11
14	12
15	13
18	SCH III
19	Col A-G
21	8D
23	8E
24a	8F
24b	SCH VI
24c	4
26	SCH K1
(28)	include

Test 4 Partner Info:

2 individuals, 1 partnership and 1 tax-exempt entity

Resident partners: 1

Darwin Derwood ssn 400-00-0400 80 Ambush Drive Townsend, MT 59644 20%

Nonresident partners: 1

Darren Dobbin ssn 400-00-0401 c/o Ernst & Young LLP, 700 W Georgia St Vancouver, BC V7Y 1C7
signed a PT-AGR 2014 45% (E)

Other partners: 2

Delwin Logistics LLC fein 00-3000040 4561 N Reserve St Missoula, MT 59808 signed a PT/STM 2011 20% (P)
Darlington Home fein 00-3000041 19299 Houle Creek Rd Frenchtown MT 59834 tax withheld 15% (TE)

Test 5: Form PR-1

Scenario: Treetop Timber is filing a short year return from 1/1 to 8/31. This is their final return.

Forms: PR-1; PR-1 Schedules: I, III, IV, and Montana K-1s; federal forms 1065, 8825, Schedule D, Form 4797

Attachments: other loss detailed statement (from line 10);

Taxpayer Information:

Treetop Timber
220 Townsend Square
Oyster Bay, NY 11771

FEIN: 00-3000500
Date registered in Montana: 05/14/2012
MT Secretary of State ID: D125986
State formed in: New York
Date formed: 01/03/1981
Federal Business Code/NAIC: 083101

Partners:

2 individuals and 1 disregarded entity

Resident partners: 0

Nonresident partners: 2

Ethel Engels ssn 400-00-0501 243 Harbor Dr. Boston, MA 02111 composite tax was paid 48%
Elwood Engels ssn 400-00-0502 2 43 Harbor Dr. Boston, MA 02111 composite tax was paid 37%

Other partners: 1

Edgar Ethers LLC fein 00-3000050 247 Harbor Dr. Boston, MA 02111 composite tax was paid 15% (D)

Additional Info

Tax Due / Overpayment: None
Tax Preparer: Data determined by developer
May DOR discuss with tax preparer: No
Do not need Form PR-1 sent next year: Box is marked

*Composite tax calculations should result in \$0 tax amount if calculated correctly.

PR1	2
1 (Loss)	4
2 (Loss)	5
3a (Loss)	SCH III
3c (Loss)	Col A-G
8 (Loss)	8D (Loss)
9 (Loss)	8E
10 (Loss)	8F
11 (Loss)	SCH IV
12 (Loss)	Part I
15 (Loss)	Part II, 1
18 (Loss)	Part II, 2
19 (Loss)	Part II, 3
20 (Loss)	Part III, A-H
21 (Loss)	Total
22	SCH K1
SCH I	include
2a E/M	
Total payroll E/M	

Test 6: Form PR-1

Scenario: Western States Asphalt and Paving is an annual filer with twelve non-resident partners. The filing uses the PTP selection. This tax return was filed late. In addition to late penalties and interest, there is a composite tax underpayment interest penalty. They have Contractor's Gross Receipts Credit, Empowerment Zone Credit, and Alternative Fuel Credit (reported on Form AFCR).

Forms: PR-1; PR-1 Schedules: I, II, III, IV, and Montana K-1s; Form AFCR; federal Form 8825; Schedule D; Form 4797; Form 4562; Form 1065

Attachments: Other loss detailed statement (from line 10); other deductions detailed statement (from line 12e)

Taxpayer Information:

Western States Asphalt and Paving
3221 Indian School Road
Phoenix, AZ 85013

FEIN: 00-3000600
Date registered in Montana: 09/13/2012
MT Secretary of State ID: D555213
State formed in: Arizona
Date formed: 08/28/2011
Federal Business Code/NAIC: 237310

Partners:

See Test 6 Partner Info on next page

Additional Info

Tax Due / Overpayment: Underpayment, paid by check
Tax Preparer: Data determined by developer
May DOR discuss with tax preparer: Yes
Do not need Form PR-1 sent next year: Box is marked

*Publicly Traded Partnerships are excluded from the Withholding and Composite Tax requirements. They may elect to pay withholding or composite on behalf of their members but it is not required.

PR1	29d	3f E
1	29e	3j, E/M
2	29f	Total sales E/M
3a	30	3
3c	31	4
5	SCH I	5
6	1d E/M	SCH II
8	1e E/M	6
9	1f E/M	Multiple CGR box
10	1g E/M	CGR ID
11	1h E	7
12	1i E/M	11
13a	1m E	SCH III
13b	Total property E/M	Col A-G
13e	1	8D
14	2a E	8E
15	2b E	8F
18	2c E	SCH IV
19	2d E	Part I
21	Total payroll E	Part II, 1
22	2	Part II, 2
23	3a	Part II, 3
28	3b, 1	Part III, A-H
29a	3b, 2	11
29b	3c, 1	Total
29c	3d	SCH K1
		include

Test 6 Partner Info:

3 non-resident individuals, 1 Trust, 1 Estate, 1 Disregarded Entity, 1 Tax-Exempt Entity, 2 partnership, 2 SBC, 1 Foreign C-Corp

Resident partners: 0

Nonresident partners: 5

Fred Farkle	ssn 400-00-0601	2850 Wells CT Anthem, AZ 85086	composite	25%
Fran Fribble	ssn 400-00-0602	468 N 23 rd St Mesa, AZ 85213	tax withheld	7%
Fern Frickle	ssn 400-00-0603	508 N 23 rd St Mesa, AZ 85213		6%
Ferdy Frickle	ssn 400-00-0604	508 N 23 rd St Mesa, AZ 85213		6% (T)
Fanny Farble	ssn 400-00-0605	422 N 23 rd St Mesa, AZ 85213		6% (E)

Other partners: 7

Frank Farble, LLC	fein 40-0000606	422 N 23 rd St Mesa, AZ 85213		6% (D)
Fergie Freagle ESOP	fein 40-0000607	574 N 23 rd St Mesa, AZ 85213		11% (TE)
FallonFargle, LLP	fein 40-0000608	101 E 1 st Ave Mesa, AZ 85210		7% (P)
Farah Fargle, Inc	fein 40-0000609	101 E 1 st Ave Mesa, AZ 85210		7% (S)
Farley Fargle, Inc	fein 40-0000610	101 E 1 st Ave Mesa, AZ 85210		6% (F)
Fancy Fargles, LLC	fein 40-0000611	101 E 1 st Ave Mesa, AZ 85210	composite	6% (P)
Frisco LLC	fein 40-0000612	138 W 1 st St Apt 33 Mesa, AZ 85201	tax withheld	7% (S)