Montana Department of REVENUE

MONTANA
ESA
Rev 05 15

2016 Estimated Tax Annualization Worksheet

Your First Name and Initial	Last Name
Spouse's First Name and Initial	Last Name

Social Security Numbers

___ – __ – ____

___ – __ – ____

You should complete Form ESW (Estimated Income Tax Worksheet) before beginning this worksheet. Complete one column of this worksheet before continuing on to the next.

	Jan 1 - Mar 31 1st Period 2016	Jan 1 - May 31 2nd Period 2016	Jan 1 - Aug 31 3rd Period 2016	Jan 1 - Dec 31 4th Period 2016
1. Enter your Montana adjusted gross income for each period (see instructions) ... 1.				
2. Annualization amounts ... 2.	4	2.4	1.5	1
3. Multiply line 1 by line 2 and enter results (annualized income) ... 3.				
4. If you itemize, enter itemized deductions for the period shown in each column. All others enter zero, and skip to line 7 ... 4.				
5. Annualization amounts ... 5.	4	2.4	1.5	1
6. Multiply line 4 by line 5 ... 6.				
7. In each column, enter the full amount of your standard deduction from page 2, Standard Deduction Worksheet ... 7.				
8. Enter larger of line 6 or line 7 ... 8.				
9. Subtract line 8 from line 3 ... 9.				
10. In each column, multiply $2,330 by the total number of exemptions claimed ... 10.				
11. Subtract line 10 from line 9. If zero or less, enter zero ... 11.				
12. Figure your tax on the amount on line 11 (see instructions) ... 12.				
13. If you have net capital gains included in your Montana adjusted gross income on line 1, multiply the net capital gains amount by 2% (0.020) and enter the result of your capital gains tax credit ... 13.				
14. Subtract line 13 from line 12 ... 14.				
15. Enter nonrefundable tax credits for each period ... 15.				
16. Subtract line 15 from line 14. **This is your total tax.** ... 16.				
17. Applicable percentage ... 17.	22.5% (0.225)	45% (0.450)	67.5% (0.675)	90% (0.900)
18. Multiply line 16 by line 17 ... 18.				
19. Add amounts in all preceding columns of line 25 ... 19.				
20. Annualized income installment. Subtract line 19 from line 18. If zero or less, enter zero ... 20.				
21. Divide line 9 of Form ESW (Estimated Income Tax Worksheet) by four (4) and enter result in each column ... 21.				
22. Enter amount from line 24 of preceding column ... 22.				
23. Add lines 21 and 22 ... 23.				
24. If line 23 is more than line 20, subtract line 20 from line 23, otherwise enter zero ... 24.				
25. Enter the smaller of either line 20 or line 23 ... 25.				
26. Enter estimated 2016 withholding for each period ... 26.				
27. Enter the amount of your overpayments from the prior year ... 27.				
28. Enter the estimated amount of your refundable credits for each period ... 28.				
29. Subtract lines 26 through 28 from line 25. **This is your required estimated tax payment for each quarter.** ... 29.				

If you file your Montana tax return electronically, you do not need to mail this form to us unless we ask you for a copy. When you file electronically, you represent that you have retained the required documents in your tax records and will provide them upon the department's request.

General Information on Annualizing

If your income fluctuates or is seasonal, you may be able to lower the amount of one or more required estimated tax installments by annualizing your income. To see if you can pay less for any period, first complete the Estimated Income Tax Worksheet (Form ESW), then complete the Estimated Tax Annualization Worksheet (Form ESA). Complete one column before continuing on to the next. This worksheet annualizes your tax at the end of each period based on a reasonable estimate of your income and deductions from the beginning of the tax year through the end of each period. If you use the annualized income worksheet for any payment due date, you have to use it for all subsequent payment due dates. If you use the annualized income installment method, you will need to include Form ESA with your tax return if you are filing on paper.

Form ESA Instructions

To figure the amount of each required installment, the worksheet selects the smaller of the annualized income installment or the regular installment (that has been increased by the amount saved by using the annualized income installment method in figuring any earlier installments).

Line 1 For each period (column), figure your total income including your adjustments to income. Include your share of partnership or S corporation income or loss items for the period.

Line 4 Enter your estimated 2016 itemized deductions such as contributions, medical, and dental expenses for each period.

Line 6 If you itemized your deductions, multiply line 4 of each column by line 5 and enter the result on line 6.

Line 7 The standard deduction is 20% of line 3, subject to the following limitations:

- Single or married filing separately: No less than $1,940; no more than $4,370
- Married filing jointly or head of household: No less than $3,880; no more than $8,740

Line 12 To compute the tax, use the tax table below.

You can pay electronically by visiting *revenue.mt.gov* and clicking on "Online Services." You can also make estimated tax payments by check using the individual income tax payment voucher. You can download the voucher by visiting *revenue.mt.gov*, clicking on "Forms" and again on "Individual Income Tax."

2015 Montana Individual Income Tax Table

If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax
$0	$2,800	1% (0.010)	$0	
$2,800	$5,000	2% (0.020)	$28	
$5,000	$7,600	3% (0.030)	$78	
$7,600	$10,300	4% (0.040)	$154	
$10,300	$13,300	5% (0.050)	$257	
$13,300	$17,100	6% (0.060)	$390	
More Than $17,100		6.9% (0.069)	$544	

For example: Taxable income $6,800 X 3% (0.030) = $204. $204 minus $78 = $126 tax

Standard Deduction Worksheet

A standard deduction worksheet must be completed for each period.

	Jan 1 - Mar 31 1st Period 2015	Jan 1 - May 31 2nd Period 2015	Jan 1 - Aug 31 3rd Period 2015	Jan 1 - Dec 31 4th Period 2015
1. Enter the amount from line 3 of Form ESA for applicable period. 1.				
2. Enter 20% of line 1 ..... 2.				
3. Enter the amount from below that corresponds to your filing status: Single or married filing separately $4,370 Married filing jointly or head of household $8,740 ..... 3.				
4. Enter the amount from either line 2 or line 3, whichever is the smaller ..... 4.				
5. Enter the amount from below that corresponds to your filing status: Single or married filing separately $1,940 Married filing jointly or head of household $3,880 ..... 5.				
6. Enter the amount from either line 4 or line 5, whichever is the larger. **This is your standard deduction.** Transfer this amount to line 7 on Form ESA for the applicable period ..... 6.				

Administrative Rules of Montana: 42.17.305, 42.17.308 and 42.17.309

Questions? Please call us toll free at (866) 859-2254 (in Helena, 444-6900).