Montana Department of REVENUE

CLEAR FORM

MONTANA
ESW-FID
Rev 04 15

2016 Montana Fiduciary Estimated Income Tax Worksheet

15-30-2512, MCA

Keep this worksheet for your records

This worksheet helps you calculate an estimate of your 2016 income tax liability based on the information you have available. If your situation changes or you find out values you originally used to complete this worksheet are not accurate, you should complete this worksheet again with the updated information and adjust your remaining payments accordingly.

To estimate your 2016 income tax liability (which is defined as the total tax imposed by Title 15, chapter 30, MCA, less any nonrefundable tax credits allowed under Montana law) you may use your 2015 income tax liability from Form FID-3, line 36. If you choose this method, skip lines 1 through 10a and enter your 2015 tax liability on line 10b; otherwise begin with line 1.

1. Enter your 2016 estimated Montana adjusted total income here ..... 1. _____
2. Enter the estimated amount of your:
   a. 2016 expected income distribution deduction ..... 2a. _____
   b. 2016 exemption 2b. 2330
   Add lines 2a and 2b and enter the result here ..... 2. _____
3. Subtract line 2 from line 1 and enter the result here. **This is your 2016 estimated taxable income.** If the result is zero or less, stop here. You do not need to make estimated tax payments in 2016 .... 3. _____
4. Calculate your estimated 2016 income tax:
   a. Multiply the amount on line 3 using the tax table on the second page of this form and enter the result here ..... 4a. _____
   b. If you have net capital gains included in your estimated Montana adjusted gross income on line 1, multiply the net capital gains amount (less the amount of net capital gains distributed to a beneficiary) by 2% (0.02) and enter the result here ..... 4b. _____
   Subtract line 4b from 4a and enter the result here. **This is your 2016 estimated resident tax after capital gains tax credit.** ..... 4. _____
5. Enter your 2016 estimated nonrefundable single-year credits and carryover credits here ..... 5. _____
6. Subtract line 5 from line 4 and enter the result here. **This is your 2016 estimated total tax after nonrefundable credits.** ..... 6. _____
7. Enter your estimated 2016 recapture taxes here ..... 7. _____
8. Add lines 6 and 7 and enter the result here. **This is your 2016 estimated total tax liability.** Continue to line 9 on the next page. ..... 8. _____

(Continued on the next page)

9. Your 2016 estimated total tax liability from line 8 ..... 9. [ ]

10. a. Multiply line 9 by 90% (0.90) and enter the result here ..... 10a. [ ]

    b. Enter 100% of the tax liability shown on your 2015 income tax return Form FID-3, line 36 ..... 10b. [ ]

    Enter the smaller of line 10a or 10b. If you are unable to determine an amount for: (1) line 10a, use the amount on line 10b; or (2) line 10b, use the amount on line 10a ..... 10. [ ]

11. a. Enter the estimated amount of your Montana income tax and mineral royalty tax withholding in 2016. (Examples include withholding on wages, pensions, annuities, pass-through entities, etc.) ..... 11a. [ ]

    b. Enter the amount of your 2015 expected or actual overpayment that will be applied to your 2016 income tax ..... 11b. [ ]

    c. Enter the estimated amount of your 2016 refundable credits ..... 11c. [ ]

    Add lines 11a, 11b, and 11c and enter the result here. **This is your 2016 estimated payments.** ..... 11. [ ]

12. If you completed lines 1 through 9, subtract line 11 from line 9. If the result is less than $500, stop here. Based on the information you used in your calculations, you do not need to make estimated tax payments in 2016. If the result is $500 or more, or you did not complete lines 1 through 9, subtract line 11 from line 10 and enter the amount here. Continue to line 13 ..... 12. [ ]

Payment Due Dates	a. April 15, 2016	b. June 15, 2016	c. Sept 15, 2016	d. Jan 15, 2017
13. Divide the amount on line 12 by four (4) and enter the result in each of the columns to the right. This is your estimated tax payment due for each period, unless you have chosen to use the annualized income installment method calculated on Montana Form ESA-FID – Estimated Tax Annualization Worksheet ..... 13.				

If the payment date falls on a weekend or a holiday, your payment is due on the next business day.

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

Form ESW-FID Instructions

What is the purpose of Form ESW-FID?

The purpose of this form is to assist a fiduciary in calculating the 2016 estimated income tax. Estimated tax payments are a method used to pay tax on income that is not subject to withholding. Examples of income that may not be subject to withholding include interest, dividends, rents, capital gains, royalties, etc.

Is a fiduciary required to make estimated tax payments?

A fiduciary for an estate or trust is required to make estimated tax payments in 2016 if the estate or trust expects to owe an income tax liability of at least $500 after subtracting tax credits and withholding payments.

If a fiduciary is required to make estimated tax payments, these payments will be the lesser of:

- 100% of the 2015 Montana tax liability reported on Form FID-3, line 36, or
- 90% of the 2016 Montana income tax liability.

Who is not required to make estimated payments?

The fiduciary is not required to make estimated tax payments in 2016 if the estate or trust meets one of the following criteria:

- The 2016 income tax due after credits and withholding is less than $500,
- The 2015 tax period covered 12 months and the Montana tax due was zero, or
- The estate or trust was not required to file a 2015 Montana income tax return.
- At least 2/3 of the estate or trust's gross income is derived from farming and ranching operations. (Montana does not apply a "lookback" provision to determine farming and ranching gross income.)

When are the estimated tax payments due?

When a fiduciary files an estate's or trust's tax return on a calendar year basis, it may prepay all of the estimated taxes for 2016 by April 15, 2016, or it may pay them in four equal amounts that are due on the dates listed below.

First payment	-	due April 15, 2016
Second payment	-	due June 15, 2016
Third payment	-	due Sept 15, 2016
Fourth payment	-	due Jan 15, 2017

If any of these installment dates fall on a weekend or a holiday, the payment is due on the next business day.

If a fiduciary files an estate's or trust's tax return on a fiscal year basis, the payment dates are the 15th day of the fourth, sixth, and ninth months of the fiscal year and the first month of the following fiscal year.

What does a fiduciary need to do if the income situation for an estate or trust changes during the year?

If an estate's or trust's tax situation changes during the year, the fiduciary will need to recalculate the estimated tax payments. The remaining installment payments will need to be proportionally changed so that the balance of the estimated payments is paid equally over the remaining installment periods.

How does an estate or trust determine the amount of estimated withholding that it will have in 2016?

A fiduciary can use the 2016 paycheck or pension check stubs received to date to estimate the amount of withholding that the estate or trust may have in 2016.

In addition, remember to include in payments any 2015 overpayments that are credited to 2016, any backup withholding that may be made on behalf of the estate or trust from a pass-through entity, or any estimated refundable credits, such as the elderly homeowner/renter credit.

A fiduciary did not make estimated tax payments in 2016 and the income tax due of the estate or trust is more than $500. Is the estate or trust subject to any penalties and interest on the underpayment?

Yes. A fiduciary is required to pay the income tax liability of an estate or trust throughout the year. Payments can be made through employer withholding, installment payments of estimated taxes, or a combination of employer withholding and estimated tax payments.

If a fiduciary did not pay in advance at least 90% of the 2016 income tax liability (after applying credits) or 100% of the 2015 income tax liability (after applying credits), the fiduciary may have to pay interest on the underpayment of the estimated tax.

How can a fiduciary make estimated tax payments?

- **Pay electronically.** Visit our website at *revenue.mt.gov* to make an extension payment.
  - Taxpayer Access Point (TAP) – pay with an e-check or credit/debit card.
  - ACH Credit – register on our website to send payments from your online banking service.
- **Pay by personal check, money order or cashier's check**. Please make the check payable to Montana Department of Revenue. Remember to sign the check and include the federal identification number and "Tax Year 2016-EST" on the memo line. Include a FID payment voucher which can be found on our website at *revenue.mt.gov* under Forms and Resources. This will ensure accurate application of an estimated payment. Please mail your payment to:

  Montana Department of Revenue
  PO Box 6309
  Helena, MT 59604-6309

Administrative Rules of Montana: 42.17.304 through 42.17.309 and 42.17.313 through 42.17.316

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