Clear Form

Montana Department of REVENUE

MONTANA
ESW
Rev 03 11

2012 Montana Individual Estimated Income Tax Worksheet

Keep this worksheet for your records.

This worksheet helps to calculate an estimate of your 2012 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 2012 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 2011 income tax liability from Form 2, line 54, Form 2M, line 47 or Form 2EZ, line 15. If you choose this method, skip lines 1 through 8 and enter your 2011 tax liability on line 10b; otherwise begin with line 1.

1. Enter your 2012 estimated Montana adjusted gross income here ..... 1. [ ]
2. Enter the estimated amount of your:
   a. 2012 itemized deductions or standard deduction. If you are using the standard deduction enter 20% (0.20) of line 1, but if your filing status is:
      - single, do not enter less than $1,820 or more than $4,110, or
      - married filing jointly or head of household, do not enter less than $3,640 or more than $8,220 ..... 2a. [ ]
   b. 2012 exemptions. (Multiply $2,190 times the number of your allowable exemptions and enter the result here.) ..... 2b. [ ]

   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 2012 estimated taxable income.** If the result is zero or less, stop here. You do not need to make estimated tax payments in 2012 ..... 3. [ ]
4. Calculate your estimated 2012 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 by 2% (0.02) and enter the result here ..... 4b. [ ]

   Subtract line 4b from 4a and enter the result here. **This is your 2012 estimated resident tax after capital gains tax credit.** ..... 4. [ ]
5. Enter your 2012 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 2012 estimated total tax after nonrefundable credits.** ..... 6. [ ]
7. Enter your estimated 2012 recapture taxes here ..... 7. [ ]
8. Add lines 6 and 7 and enter the result here. **This is your 2012 estimated total tax liability.** Continue to line 9 on the next page ..... 8. [ ]

(Continued on the next page)

9. Your 2012 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 2011 income tax return Form 2, line 54 (add columns A and B), Form 2M, line 47, or Form 2EZ, line 15 ..... 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 2012. (Examples include withholding on wages, pensions, annuities, pass-through entities, etc.) ..... 11a. [ ]

    b. Enter the amount of your 2011 expected or actual overpayment that will be applied to your 2012 income tax ..... 11b. [ ]

    c. Enter the estimated amount of your 2012 refundable credits which are listed on Form 2, Schedule V or Form 2M, Schedule II ..... 11c. [ ]

    Add lines 11a, 11b, and 11c and enter the result here. **These are your 2012 estimated payments.** ..... 11. [ ]

12. If you completed lines 1 through 8, 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 2012. If the result is $500 or more, or you did not complete lines 1 through 8, subtract line 11 from line 10 and enter the amount here. Continue to line 13 ..... 12. [ ]

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 - Estimated Tax Annualization Worksheet ..... 13.

Payment Due Dates	April 15, 2012	June 15, 2012	Sept. 15, 2012	Jan 15, 2013

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

2011 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	$2,700	1% (0.010)	$0	
$2,700	$4,700	2% (0.020)	$27	
$4,700	$7,200	3% (0.030)	$74	
$7,200	$9,700	4% (0.040)	$146	
$9,700	$12,500	5% (0.050)	$243	
$12,500	$16,000	6% (0.060)	$368	
More Than $16,000		6.9% (0.069)	$512	

For Example: Taxable Income $6,800 X 3% (0.030) = $204. $204 Minus $74 = $130 Tax

Form ESW General Information

What is the purpose of Form ESW?

The purpose of this form is to assist you in calculating your 2012 estimated individual 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 self-employment, interest, dividends, rents, capital gains, alimony, and royalties.

Am I required to make estimated tax payments in 2012?

You are required to make estimated tax payments in 2012 if you expect to owe an income tax liability of at least $500 after you subtract your tax credits and withholding payments.

If you are required to make estimated tax payments, these payments will be the lesser of:

- 100% of your 2011 Montana tax liability reported on Form 2, line 54, Form 2M, line 47 or Form 2EZ, line 15; or
- 90% of your 2012 Montana income tax due.

Who is not required to make estimated tax payments?

You are not required to make estimated tax payments in 2012 if you meet one of the following criteria:

- Your 2012 income tax due after credits and withholding is less than $500,
- Your 2011 tax period covered 12 months and your Montana tax liability was zero,
- You were not required to file a 2011 Montana income tax return,
- In 2012 you retired and were at least 62 years of age (This exception applies only in the year you retire and for one additional year following the year of retirement),
- You became disabled in 2011 or 2012, or
- At least 2/3 of your gross income is derived from farming and ranching operations. (Montana does not apply a “lookback” provision, in determining farming and ranching gross income).

When are my estimated tax payments due?

When you file your return on a calendar year basis, you may prepay all of your estimated taxes for 2012 by April 15, 2012, or you may pay them in four equal amounts that are due on the dates listed below.

First payment	-	due April 15, 2012
Second payment	-	due June 15, 2012
Third payment	-	due Sept 15, 2012
Fourth payment	-	due Jan 15, 2013

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

If you file your return on a fiscal year basis, your 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.

I completed my estimated income tax worksheet at the beginning of the year and did not anticipate a change in my income throughout the year. What do I need to do if my income situation changes during the year?

If your tax situation changes during the year, you will need to recalculate your estimated tax payments. Your remaining installment payments will need to be proportionally changed so that the balance of your estimated payments is paid equally over the remaining installment periods.

How can I determine the amount of my estimated withholding that I will have in 2012?

You can use your 2012 paycheck or pension check stubs that you have received to date to estimate the amount of withholding that you may have in 2012.

In addition, remember to include in your payments any 2011 overpayments that are credited to 2012, any backup withholding that may be made on your behalf from a pass-through entity, or any estimated refundable credits, such as the elderly homeowner/renter credit.

I am a nonresident or part-year resident of Montana. Do I have to make estimated tax payments?

As a nonresident or a part-year resident, you do not need to pay estimated taxes if you were not required to file a Montana individual income tax return for the previous tax year. If you were required to file a Montana tax return in the previous tax year, you are required to make estimated tax payments if you expect to owe at least $500 in Montana income tax after subtracting your Montana withholding paid and credits that you are entitled to.

I did not make estimated tax payments in 2012 and my income tax due is more than $500. Am I subject to any penalties or interest on my underpayment?

You are required to pay your income tax liability throughout the year. You can make your payments through employer withholding, installment payments of estimated taxes, or a combination of employer withholding and estimated tax payments.

If you did not pay in advance at least 90% of your 2012 income tax liability (after applying your credits) or 100% of your 2011 income tax liability (after applying your credits), you may have to pay interest on the underpayment of your estimated tax.

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