

Montana Schedule K-1

(CLT-4S and PR-1)

Partner's/Shareholder's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2010, or tax year beginning M M D D 2 0 1 0 and ending M M D D Y Y Y Y

Part 1 Pass-Through Entity Information	Check applicable boxes: <input type="checkbox"/> Form CLT-4S <input type="checkbox"/> Form PR-1 <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1			
	A	Entity's federal employer identification number (FEIN) 		
	B	Entity's name and mailing address		

Part 2 Partner/Shareholder Information	A Partner's/shareholder's identifying number (SSN/FEIN) 			
	B Partner's/shareholder's name and mailing address			
	C	What type of entity is this partner/shareholder?	F Partner's:	Beginning Ending
	D	Check this box if partner/shareholder is a nonresident: <input type="checkbox"/> If a nonresident, please check this box if a Montana Form PT-AGR has been filed for partner/shareholder: <input type="checkbox"/>		Profit % % Loss % % Capital % %
	E	Shareholder's percentage of stock ownership _____%		

Part 3 All Partners/Shareholders— Montana Adjustments	A Montana additions to income			
	1.	Federal tax-exempt interest..... A1.		00
	2.	Taxes based on income or profits..... A2.		00
	3.	Other additions. List type _____ and amount A3.		00
	B Montana deductions from income			
	1.	Interest from U.S. Treasury obligations B1.		00
2.	Deduction for purchasing recycle material B2.		00	
3.	Other deductions. List type _____ and amount B3.		00	
Part 4 Nonresident Partner/Shareholder Only—Montana Source Income (Loss)	1.	Ordinary business income (loss) 1.		00
	2.	Net rental real estate income (loss) 2.		00
	3.	Other net rental income (loss) 3.		00
	4.	Guaranteed payments 4.		00
	5.	Interest income 5.		00
	6.	Ordinary dividends 6.		00
	7.	Royalties 7.		00
	8.	Net short-term capital gain (loss) 8.		00
	9.	Net long-term capital gain (loss) 9.		00
	10.	Net section 1231 gain (loss) 10.		00
	11.	Other income (loss). List type _____ and amount 11.		00
Part 5 Supplemental Information	1.	Montana composite income tax paid on behalf of partner/shareholder 1.		00
	2.	Montana income tax withheld on behalf of partner/shareholder 2.		00
	3.	Premiums for Insure Montana Small Business Health Insurance credit expenses 3.		00
	4.	Montana mineral royalty tax withheld 4.		00
	5.	Other information. List type _____ and amount 5.		00
Part 6 Montana Tax Credits and Recapture	1.	Insure Montana Small Business Health Insurance credit. Business FEIN _____ 1.		00
	2.	Contractor's gross receipts tax credit 2.		00
	3.	Other credit/recapture information. List type _____ and amount 3.		00



Partner's/Shareholder's Instructions for Montana Schedule K-1 (Forms CLT-4S and PR-1)

General Instructions

The Montana Schedule K-1 is required to be provided to all partners or shareholders. Parts 1 and 2 are completed for all partners or shareholders. Parts 3, 5 and 6 are completed for all partners or shareholders only if there is applicable information. Part 4 applies to nonresident partners or shareholders only.

Purpose of Montana Schedule K-1

Montana Schedule K-1 shows information about your share of income, gains, losses, deductions, credits and other items from an S corporation, a partnership, or a limited liability company (LLC) that is treated as an S corporation or partnership for income tax purposes. If applicable, your share of "Montana source income" is listed. You may need this information to complete the appropriate Montana tax return.

Partnership or corporation partner/shareholder. If you are a corporation, partnership, or a limited liability company treated like a corporation or partnership, the Montana Schedule K-1 shows your share of the entity's Montana statutory adjustments or tax credits that may affect the preparation of your Montana tax return.

Resident individual, estate, or trust partner/shareholder. If you are a Montana resident individual, estate, or trust, you report to Montana your entire share of the entity's income, gains, losses, and deductions included in your federal taxable income. The Montana Schedule K-1 shows your share of the entity's Montana statutory adjustments or tax credits that may affect the preparation of your Montana tax return.

Nonresident individual, estate, or trust partner/shareholder. If you are a nonresident individual, estate, or trust, the amount of your share of the entity's income, gains, losses, and deductions that are apportioned and allocated to Montana based on the entity's activity in Montana is used to determine your Montana tax liability. These items are shown in Part 4 of the Montana Schedule K-1. Unless you are a nonresident individual who elected to participate in a composite return filed on your behalf by the entity, you need to file a Montana tax return to determine your tax liability for these items.

Composite return election. If you are a nonresident individual, a foreign C corporation, or a pass-through entity who elected to participate in a composite return filed on your behalf by the entity, you are not required to file a Montana tax return. If this applies to you, you received the Montana Schedule K-1 to show your share of these items and the composite tax paid on your behalf.

Amended Schedule K-1 (Forms CLT-4S and PR-1). If you received an amended Montana Schedule K-1 from the entity, and you previously filed a Montana tax return, you need to file an amended Montana tax return to report the changes in income, gains, losses and deductions.

Montana Schedule K-1, Parts 3-6

Part 3 – All Partners/Shareholders – Montana Adjustments

A-B. Montana Additions or Deductions

To compute Montana income taxable to pass-through entity owners, certain items have to be added to income or deducted from income. A detailed schedule is required to be included. The form shows a partial list. Any amounts listed are the partner's or shareholder's share of Montana additions and deductions from the corresponding lines on Schedules A and B. Transfer the amount(s) shown to the appropriate Montana tax return.

Part 4 – Nonresident Partner/Shareholder Only—Montana Source Income (Loss)

If you are a nonresident individual, estate, trust, or pass-through entity, your share of the entity's Montana source income, gains, losses and other additions to income are shown. Transfer these amounts to the appropriate Montana tax return.

4. Guaranteed payments. The guaranteed payments remain with the partner receiving the payments as reflected on the federal Schedule K-1.

Part 5 – Supplemental Information

Supplemental information which could result in adjustments to the Montana tax return is listed. Transfer the information to the appropriate Montana tax return.

1. Montana composite income tax paid on behalf of partner/shareholder. If applicable, the amount shown on this line is the amount of Montana composite income tax paid on your behalf by the entity. If you made this election, you are not required to file your own Montana tax return. This is for your information only.

2. Montana income tax withheld on behalf of partner/shareholder. The entity was required to withhold Montana income tax for those nonresident partners/shareholders who did not file a consent agreement or statement (Form PT-AGR) and did not elect to have the entity pay composite income tax. Transfer the amount from this line to the appropriate Montana tax return.

3. Premiums for Insure Montana Small Business Health Insurance credit. If the entity received a tax credit from the Insure Montana Small Business Health Insurance program, the amount entered is the portion of the premiums paid for these policies which is not allowed as a deduction.

4. Montana mineral royalty tax withheld. If mineral rights are held by a partnership or S corporation in which you have an ownership interest, the royalty payments made to the owners are subject to withholding if certain thresholds are met. If the partnership or S corporation attributed the withheld mineral royalty tax to the partner or shareholder, the amount attributed is listed. This withholding should not be confused with the amounts deducted from royalty payments for production taxes. Transfer the amount on this line to the appropriate Montana tax return.

Part 6 – Montana Tax Credits and Recapture (If Applicable)

Any credit claimed by a partnership or S corporation has to be attributable to its partners/shareholders generally using the same proportion that is used to report that entity's income or loss for Montana income tax purposes. The tax credits cannot be taken as a credit against composite tax. We have listed the most common tax credits along with space to provide information about any other tax credit or recapture amount. Include the amount from this schedule on the applicable credit form and report on the appropriate Montana tax return.

Some tax credits have provisions requiring a recapture of the tax benefit you received in an earlier tax year (if you do not meet certain requirements in subsequent tax years). If you are required to report a recapture, include the amount from this schedule on the appropriate Montana tax return.