

FAQs – Withholding

1. I underpaid last year's withholding. When will I receive a statement of account?
We generate statements of account after the MW-3 has posted for that tax year. We print and mail statements at the beginning of each month as long as there is a balance due on the account.
2. I have an overpayment that wasn't reflected on the return. How do I go about requesting a refund?
How long will that take?
Requests for refund must be submitted in writing to the department. The request should be on the company's letterhead (if applicable), include the account ID or federal ID number, and must specify the amount of the refund being requested. After we review and verify the request, the refund should reach the taxpayer in seven to 14 business days.
3. Why am I receiving a statement of account (SOA)?
We usually issue SOAs when taxes go unpaid, an associated interest is due and/or when there are penalties resulting from late payments or late return filings.
4. What do I do with the 1099s without state withholding?
Any forms 1099 that do not report state withholding should be sent in with federal form 1096. Do not send in 1099s without withholding with the MW-3.
5. Should North Dakota residents working in Montana have Montana or North Dakota withholding taken from their wages? Is there a reciprocal form that the employee or employer must file?
Montana and North Dakota have a reciprocity agreement. This means that North Dakota residents who are working in Montana and have filed the Reciprocity Exemption from Withholding form (Form MT-R) with their employer are subject to income tax withholding requirements of North Dakota. For information on taxation of Montana residents working in North Dakota, please visit the North Dakota Office of the State Tax Commissioner website at nd.gov/tax.
6. If I have a new business and/or do not have a full look-back period, how often should I file my withholding payments?
Until you have established a complete look-back period (Jul 1 – Jun 31), you should file your withholding payments on a monthly basis until the department notifies you otherwise. A monthly filing frequency means that the withholding payments are due on the 15th day following the month that the wages were constructively paid and withheld on. For example, wages paid and withheld on in January are due by February 15.
7. I accidentally sent in my federal withholding instead of my state withholding. What should I do?
You have three options: 1) You can request a refund of the entire amount of federal withholding paid to the state (see FAQ on refund requests), 2) request that a portion of the payment gets applied towards that period's withholding liability and the remainder gets carried forward towards future liability amounts, or 3) request that it covers your state liability and have the rest refunded.

8. For Montana state purposes, how can the W-4 allowances differ from the federal-accepted from allowances?

There are two major differences between the state-accepted and the federal-accepted W-4: 1) The state does not recognize the federal child tax credit allowance. 2) The state does not recognize an exempt status. Also, be advised that any W-4s that claim more than 10 allowances must be submitted to the department for review and approval.

9. Why do I need a Power of Attorney form?

A Power of Attorney form is necessary in instances when a tax preparer or any other non-owner that is not otherwise listed as a contact on the account needs access to or needs to discuss with the department any information regarding your withholding account.

10. How do I register for a withholding account?

To register for a new withholding account, you will need to file a General Registration form (GenReg) via paper or electronically. To file paper, download and print the [GenReg](#) form from our website. To register electronically, visit [Taxpayer Access Point \(TAP\)](#). You will need your federal ID number and need to create a login and password.