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**Schedule I – Montana Additions to Federal Adjusted Gross Income**

Enter your additions to federal adjusted gross income on the corresponding line.

**File Schedule I with your Montana Form 2.**

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

1	Interest and mutual fund dividends from state, county or municipal bonds from other states.....	1	00	00
2	Dividends not included in federal adjusted gross income.....	2	00	00
3	Taxable federal refunds. Complete Worksheet II on page 44.....	3	00	00
4	Other recoveries of amounts deducted in earlier years that reduced Montana taxable income. Complete Worksheet IX (available at <i>revenue.mt.gov</i> ).....	4	00	00
5	Addition to federal taxable social security benefits. Complete Worksheet VIII on page 48.....	5	00	00
6	Sole proprietor's allocation of compensation to spouse.....	6	00	00
7	Medical care savings account nonqualified withdrawals.....	7	00	00
8	First-time home buyer savings account nonqualified withdrawals.....	8	00	00
9	Farm and ranch risk management account taxable distributions.....	9	00	00
10	Addition for dependent care assistance credit adjustment.....	10	00	00
11	Addition for smaller federal estate and trust taxable distributions.....	11	00	00
12	Federal net operating loss carryover reported on Form 2, line 21.....	12	00	00
13	Share of federal income taxes paid by your S corporation.....	13	00	00
14	Title plant depreciation and amortization.....	14	00	00
15	Other additions. Specify: <input type="text"/>	15	00	00
16	Add lines 1 through 15. Enter the total here and on Form 2, line 39. <b>This is your total Montana additions to federal adjusted gross income.</b> .....	16	00	00

DRAFT  
October 25, 2016

**2016 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	If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax
\$0	\$2,900	1% (0.010)	\$0		\$10,500	\$13,500	5% (0.050)	\$263	
\$2,900	\$5,100	2% (0.020)	\$29		\$13,500	\$17,400	6% (0.060)	\$398	
\$5,100	\$7,800	3% (0.030)	\$80		More Than \$17,400		6.9% (0.069)	\$555	
\$7,800	\$10,500	4% (0.040)	\$158						

For example: Taxable income \$6,800 X 3% (0.030) = \$204.

\$204 minus \$80 = \$124 tax





Social Security Number input boxes

Schedule III – Montana Itemized Deductions

Enter your itemized deductions on the corresponding line.

File Schedule III with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

Table with 4 columns: Line number, Description, Column A, Column B. Rows 1-6 include Medical and dental expenses, Form 2 line 41, and insurance premiums.

Complete lines 7a through 7d reporting your total federal income tax payments made in 2016 before completing line 7e. You cannot deduct your self-employment taxes paid on lines 7a through 7d.

Main table with 4 columns: Line number, Description, Column A, Column B. Rows 7a-30 include federal income tax withheld, state and local taxes, mortgage interest, charitable contributions, and other miscellaneous deductions.



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**Schedule IV – Nonresident/Part-Year Resident Tax**

On lines 1 through 15, enter your Montana source income that is included in Montana adjusted gross income on Form 2, lines 7 through 21. Also include Montana source additions and subtractions from Schedules I and II.

**File Schedule IV with your Montana Form 2.**

Column A (for single, joint, separate, or head of household)      Column B (for spouse when filing separately using filing status 3a)

1	Montana wages, salaries, tips, etc. ....	1	00	00
2	Montana interest.....	2	00	00
3	Montana ordinary dividends .....	3	00	00
4	Montana refunds, credits, or offsets of local income taxes.....	4	00	00
5	Montana alimony received.....	5	00	00
6	Montana business income or (loss).....	6	00	00
7	Montana capital gain or (loss) .....	7	00	00
8	Other Montana gains or (losses) .....	8	00	00
9	Montana IRA distribution .....	9	00	00
10	Montana pensions and annuities.....	10	00	00
11	Montana rental real estate, royalties, partnerships, S corporations, trust, etc.....	11	00	00
12	Montana farm income or (loss).....	12	00	00
13	Montana social security benefits .....	13	00	00
14	Any other Montana income (see instructions) .....	14	00	00
15	Montana source additions to income reported on Form 2, Schedule I (do not include net operating losses reported on Schedule I, line 12) .....	15	00	00
16	Add lines 1 through 15 and enter the result here. <b>This is your Montana source income.</b> ..	16	00	00
17	Enter the total of your federal income from Form 2, line 22 .....	17	00	00
18	Enter your Montana additions from Form 2, Schedule I, line 16 .....	18	00	00
19	Enter your Montana subtractions from Form 2, Schedule II, line 36.....	19	00	00
20	Enter your net operating losses from Form 2, Schedule II, line 28 ...	20	00	00
21	Subtract line 20 from line 19.....	21	00	00
22	Add lines 17 and 18, and subtract line 21. <b>This is your total income from all sources.</b> ...	22	00	00
23	Divide the amount on line 16 by the amount on line 22 and enter the result here. Round to 6 decimal places and do not enter more than 1.000000 .....	23	<input type="text"/>	<input type="text"/>
24	Enter your resident tax after capital gains tax credit from Form 2, line 48 .....	24	00	00
25	Multiply the tax on line 24 by the percentage on line 23 and enter the result here and on Form 2, line 48a. <b>This is your nonresident, part-year resident tax after capital gains tax credit.</b> .....	25	00	00

**How do I determine what qualifies as my Montana source income when I am a nonresident of Montana?**

In general, as a nonresident of Montana, your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property located in Montana, and income that you receive from business conducted in Montana.

**How do I determine my Montana source income when I am a part-year resident of Montana?**

As a part-year resident, you are considered a resident for part of the year and a nonresident for the other part of the year.

In general, for the part of the year that you are a nonresident, your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property that is located in Montana, and income that you receive from business conducted in Montana.

For the part of the year that you are a resident, all of your income that you receive, no matter where you earn it, is Montana source income.

**Where can I find additional information on what is included in my Montana source income?**

For additional information and a line-by-line description of what Montana source income is, refer to Form 2, Schedule IV instructions beginning on page 27.



12 digit Social Security Number input boxes

**Schedule V – Montana Tax Credits**

Enter your Montana tax credits on the corresponding line.

**File Schedule V with your Montana Form 2.**

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

**Nonrefundable credits that are single-year credits and HAVE NO carryover provision**

Table with 4 columns: Line number, Description, Column A, Column B. Rows 1-10 include credits like income tax liability, college contribution, and health insurance.

**Nonrefundable credits that HAVE a carryover provision**

Table with 4 columns: Line number, Description, Column A, Column B. Rows 11-23 include credits like biodiesel blending, geothermal systems, and historic property preservation.

**Refundable credits**

Table with 4 columns: Line number, Description, Column A, Column B. Rows 24-27 include elderly homeowner/renter, emergency lodging, and unlocking public lands credits.

**Montana Tax Credits**

We have listed the 25 Montana tax credits available to you under three categories. With the exception of the capital gains tax credit, which you must apply before any other credit, you are not required to apply any of these 25 tax credits against your income tax liability in any particular order. For more information about these tax credits, see the instructions on page 31.



SSN input boxes

Schedule VI – Credit for an Income Tax Liability Paid to Another State or Country

Indicate residency status from Form 2, line 5 [ ] Full-year [ ] Part-year

File Schedule VI with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

- 1 Enter your income sourced and taxable to another state or country...
2 Enter all income sourced and taxable to the other state or country...
3 Enter your income sourced and taxable to Montana...
4 Enter your total income tax liability paid to the other state or country...
5 Enter your Montana tax liability...
6 Divide line 1 by line 2...
7 Multiply line 4 by line 6...
8 Divide line 1 by line 3...
9 Multiply line 5 by line 8...
10 Enter here and on Form 2, Schedule V, line 1 the smaller of the amounts reported on lines 4, 7 or 9 above.

Table with 3 columns: Line number, Column A, Column B. Rows 1-10 with numerical values and percentages.

- You are not entitled to a Montana tax credit for taxes paid to a foreign country...
If you claim this credit for an income tax paid by your S corporation or partnership...
Your credit is limited to a tax liability paid on income that is also taxed by Montana...
Your income tax paid includes your share of any excise or franchise taxes...
This is a nonrefundable credit and cannot reduce your Montana tax liability below zero...
This is a nonrefundable single-year credit. No unused credit amount can be carried forward...
You need to complete a separate Schedule VI for each state or country...
If you are a part-year resident, you need to allocate your income on Form 2, Schedule IV...

October 25, 2016 DRAFT



