Montana Schedule K-1
(FID-3)
Beneficiary's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2016, or tax year beginning M M D D 2 0 1 6 **and ending** M M D D Y Y Y Y

Part 1 Estate or Trust Information

Mark applicable boxes: ☐ Final Schedule K-1 ☐ Amended Schedule K-1

Name of Estate or Trust

Federal Employer Identification Number

Fiduciary's Name

Mailing Address | City | State | Zip Code

Part 2 Beneficiary Information

Beneficiary' s Name

Federal Employer Identification Number

OR

Social Security Number

Mailing Address

City | State | Zip Code

What type of entity is this beneficiary?

If beneficiary is an individual, estate, or trust, the beneficiary is a: ☐ Full-year resident ☐ Part-year resident ☐ Nonresident

Part 3 Montana Adjustments

A Montana additions to income

1. Interest and mutual fund dividends from state, county and municipal bonds from other states A1. 00
2. Other additions. List type _____ and amount. A2. 00

B Montana deductions from income

1. Exempt interest and mutual fund dividends from federal bonds, notes and other obligations B1. 00
2. Other deductions. List type _____ and amount. B2. 00

Part 4 Beneficiary's Share of Montana Source Income (Loss)

1. Interest income 1. 00
2. Dividends 2. 00
3. Business income or (loss) 3. 00
4. Capital gain or (loss) 4. 00
5. Rents, royalties, partnerships, S corporations, other estates and trusts, etc. 5. 00
6. Net farm income or (loss) 6. 00
7. Ordinary gain or (loss) 7. 00
8. Other income. List type _____ and amount. 8. 00
9. Montana source additions to income reported on Form FID-3, Schedule A. Please include list with types and amounts 9. 00

Part 5 Supplemental information

1. Montana mineral royalty tax withheld 1. 00
2. Other information. List type _____ and amount. 2. 00

DRAFT August 15, 2016

Beneficiary's Instructions for Montana Schedule K-1

General Instructions

A fiduciary of an estate or trust is required to provide a Montana Schedule K-1 to all beneficiaries. Montana Schedule K-1 shows information about a beneficiary's share of income, gains, losses, deductions, credits and other items from an estate or trust. A beneficiary may need this information to complete the appropriate Montana tax return.

Partnership or corporation beneficiary. If you are a corporation, partnership, or limited liability company, the Montana Schedule K-1 shows your share of Montana source income and Montana statutory adjustments from the estate or trust that may affect the preparation of your Montana tax return.

Resident individual, estate or trust beneficiary. If you are a Montana resident individual, estate, or trust, your entire share of the estate's or trust's income, gains, losses and deductions that is includable in your federal taxable income is Montana source income. Montana Schedule K-1 shows your share of Montana source income and Montana statutory adjustments from the estate or trust that may affect the preparation of your Montana tax return.

Nonresident or part-year resident individual, estate, or trust beneficiary. If you are a nonresident or part-year resident individual, estate, or trust, the amount of your share of the estate's or trust's income, gains, losses and deductions having their source in Montana is used to determine your Montana tax liability. Your share of Montana source income and Montana statutory adjustments are reported on the Montana Schedule K-1. You will need a Montana Schedule K-1 to file a Montana tax return.

Amended Schedule K-1. If you received an amended Montana Schedule K-1 from the fiduciary, you may need to file an amended Montana tax return to report the changes in income, gains, losses and deductions.

Montana Schedule K-1, Parts 3-5

Part 3 – Montana Adjustments

A-B. Montana Additions and Deductions

To compute Montana income taxable to beneficiaries, certain items have to be added to or deducted from income reported for federal income tax purposes. Any amounts listed are the beneficiary's distributive share of Montana additions and deductions. A detailed schedule is required to be included. The form shows a partial list.

Part 4 – Beneficiary's Share of Montana Source Income (Loss)

If you are a resident, nonresident or part-year resident beneficiary, you will need this information to file a Montana tax return. If you are a corporation or pass-through entity, you may need this information to report your Montana source income. Your share of the estate's or trust's distributed Montana source income, gains, losses and other additions to income that you need to report on your Montana tax return are shown in Part 4.

Part 5 – Supplemental Information

Montana mineral royalty tax withheld. If the estate or trust received royalty payments subject to withholding and distributed the mineral royalty tax withheld to the beneficiary, the amount distributed to the beneficiary is listed.

Other Information. Supplemental information which could result in adjustments to your Montana tax return are listed on this line. If all of the supplemental information could not be listed on this line, the estate or trust should provide you with a statement showing the additional information. Additional information includes income tax paid on behalf of beneficiaries and allocated items that you may be able to use to calculate a tax credit. An example of an item that can be used to calculate a tax credit is a contribution made by an estate or trust that qualifies for a qualified endowment credit. A portion of a contribution that is not used to calculate a credit against the estate or trust's liability may be allocated to you. If you receive a portion of this contribution, the amount will be reported on this line.

DRAFT
August 15, 2016