2014 Montana Form 2EZ

Individual Income Tax Forms and Instructions

MONTANA DEPARTMENT OF REVENUE

Montana Department of REVENUE

Get Your Refund Faster - File Online!

Check out Online Services at *revenue.mt.gov*.

Choose e-file and direct deposit for a faster refund!
Filing deadline is April 15, 2015.

Toll Free (866) 859-2254
Helena (406) 444-6900

Don't Miss Out!

Apply by April 15 to see if you qualify for property tax relief.

Please see the yellow insert for details.

Hello Montana Taxpayer,

Thank you for filing your Montana tax return. In the graphs below this message you can see where our Montana tax resources come from and how they are used.

As you file your taxes and have questions, please feel free to ask us for help. You can contact our call center toll free at 866-859-2254, or in Helena at 444-6900. We also welcome you to stop by our offices in Helena and 56 counties.

As the internet becomes a more important and convenient way of doing business, we encourage you to file electronically. Please visit our website for helpful information and online options at *revenue.mt.gov*. The benefit of filing electronically will be more efficient processing of your return and a quicker refund back to you.

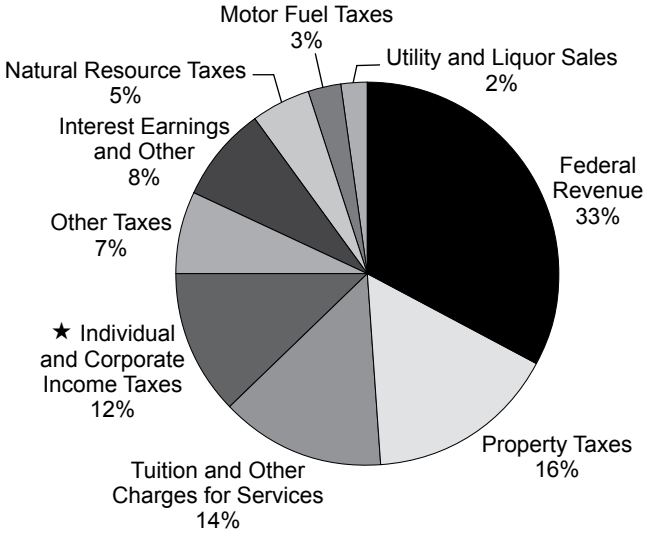
Regards,

Mike Kadas, Director
Montana Department of Revenue

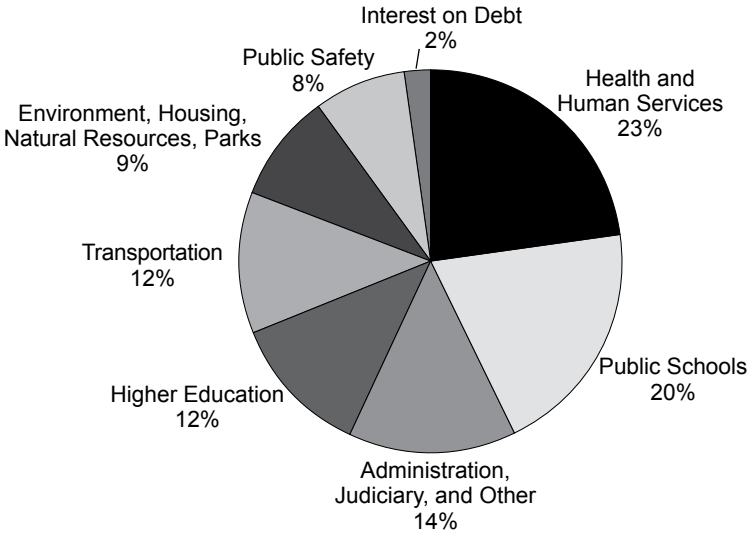
Your Tax Dollars at Work

The first chart shows the sources of revenue for both state and local governments in Montana for 2011, the most recent year for which totals are compiled. The second chart shows state and local spending.

What are Montana's Public Revenues?
Total Montana State and Local Revenue, Fiscal Year Ending 2011



Where Do Your Public Dollars Go?
Total State and Local Spending in Montana, Fiscal year Ending 2011



★ Where Your Income Tax Dollar Goes

Education	47%
Health and Human Services	22%
Public Safety and Corrections	15%
General Government Operations	8%
Transfers to Local Governments	6%
Other	2%
Total Spending	100%

The table above shows where your individual and corporate income tax dollars—about 12% of total state and local revenues—were spent in 2011.

File Montana Individual Income Tax Online!

revenue.mt.gov

https://tap.dor.mt.gov

Getting Started

These simple steps will help you complete and file your Montana tax return.

1. Complete your federal tax return.
2. Determine if Montana Form 2EZ is right for you. See FAQ ❷ on page 7.
3. Before you begin, take the time to familiarize yourself with the forms, schedules, worksheets and other documents you'll need to complete your tax return.
4. Decide if you will file electronically or use a paper tax return. This booklet is designed to help you file by either method.
5. If you file a paper return, remember to sign it and include any federal forms or schedules we requested on the return.
6. File your Montana tax return (include your payment, if taxes are due) by April 15, 2015. See FAQ ⓫ on page 9 for information about receiving an extension.
7. When finished, please accept our thanks for a job well done!

Completing your 2EZ is as easy as '1-2-3'

Step 1 Personal Information.....1

Step 2 Income , Tax and Amount Due or Refund 2

Step 3 Sign, Assemble and File Your Return.....4

FAQs Frequently Asked Questions.....6

What's New?

Unlocking State Lands

Beginning with the 2014 tax year, the Unlocking State Lands program allows a landowner to enter into a contractual agreement with the Montana Department of Fish Wildlife and Parks to provide public recreational access where no legal public access currently exists. The landowner may receive an annual tax credit in the amount of $500 per agreement (up to a maximum of $2,000 tax credit per year) for allowing such access. For additional information, please refer to *fwp.mt.gov*.

Step 1. Personal Information

► **Are you ready?**

- Gather any updated personal information.
- Gather any Form(s) W-2 and/or Form(s) 1099 you received.

Heading

Print your name, mailing address and social security number in the spaces provided. If you are married, enter your spouse's name and social security number.

If either the primary taxpayer or the spouse died prior to filing this return, enter the date of death in the field next to his or her name. Please include a copy of the federal Form 1310 unless filing status 2 (married filing jointly) is used on this return.

Filing Status - (Mark only one box)

Box 1 – Single

You can claim this filing status if on December 31, 2014, you:

- were single,
- were legally separated according to your state law under a decree of divorce or separate maintenance, or
- were widowed before January 1, 2014, and you did not remarry in 2014.

If you are married, you cannot file separate Form 2EZ returns. Forms 2M and 2EZ only permit a married couple to file a joint return. You will have to file Form 2 if you and your spouse want to file separately.

Box 2 – Married Filing Jointly

You can claim this filing status if:

- you were married as of December 31, 2014, even if you did not live with your spouse at the end of 2014, or
- your spouse died in 2014 and you did not remarry in 2014, or
- you were married as of December 31, 2014, and your spouse died in 2014 before filing a 2014 tax return.

You and your spouse can file a joint tax return even though one of you has no income or deductions, but please note that both spouses have to sign the tax return.

✓ **Did you…?**

- Ensure that the correct social security number is entered and matches the number on your Form(s) W-2.
- List your mailing address.
- Mark a filing status box.

Step 2. Income, Tax and Amount Due or Refund (Lines 3-21)

► **Are you ready?**

- Fill out your 2014 federal tax return.
- Fill out the standard deduction worksheet on the back of Form 2EZ.
- Gather any Form(s) W-2 and/or Form(s)1099 you received that show tax withheld.

Lines 3 through 5

On lines 3 through 5, enter the amounts that you reported for these items on your federal individual income tax return, Form 1040, 1040A or 1040EZ.

Line 3 – Wages, salaries, tips, etc.

Enter the same amount that you reported on your federal tax return. If you had military or tribal income that you claim is exempt from Montana income tax, you cannot use this form and will instead need to file Form 2.

Line 6 – Calculate Your Federal Income

Add lines 3 through 5 and enter the result here. This is your federal adjusted gross income that should match your federal tax return.

Line 7 – Exempt Unemployment Compensation

If you have received unemployment benefits from Montana or from another state, these benefits are exempt from Montana tax. Enter the same amount that you put on line 5.

Line 8 – Exemption for Certain Taxed Tips and Gratuities

You can subtract any tips and gratuities that you received from customers while you worked in the food, beverage or lodging industry. These tips and gratuities are included in the amount on line 3 above. All other tips and gratuities that you received for providing services in other kinds of businesses—such as hair stylists, paper carriers and river guides—are not excluded.

Line 9 – Total Subtractions

Add lines 7 and 8; enter the result. This is your total subtractions.

Line 10 – Montana Adjusted Gross Income

Subtract line 9 from line 6 and enter the result on line 10. This is your Montana adjusted gross income.

Line 11 – Standard Deduction

To calculate your standard deduction, complete the worksheet found on the back of Form 2EZ and enter the result.

Line 12 – Exemption Amount

If you marked box “1. Single” at the top of Form 2EZ, enter $2,330. If you marked box “2. Married filing jointly,” enter $4,660.

Line 13 – Total Deductions and Exemptions

Add lines 11 and 12; enter the result. This is your total deductions and exemptions.

Line 14 – Montana Taxable Income

Subtract line 13 from line 10 and enter the result. Do not enter a number less than zero. This is your Montana taxable income.

Tax Computation

Line 15 – Total Tax Liability

Use the following table and worksheet to calculate your tax. The tax table is also on the back of Form 2EZ.

2014 Montana Individual Income Tax Table				
If Your Taxable Income Is More Than	But Not More Than	A Multiply Your Taxable Income By	B And Subtract	This Is Your Tax
$0	$2,800	1% (0.010)	$0	
$2,800	$5,000	2% (0.020)	$28	
$5,000	$7,600	3% (0.030)	$78	
$7,600	$10,300	4% (0.040)	$154	
$10,300	$13,300	5% (0.050)	$257	
$13,300	$17,100	6% (0.060)	$390	
More Than $17,100		6.9% (0.069)	$544	

Worksheet

Taxable income from Form 2EZ, line 14..... 1_____

Applicable tax rate from column A..... 2_____

Multiply amount on line 1 by rate on line 2 ..... 3_____

Amount from column B to be subtracted ..... 4_____

Tax Liability. Subtract the amount on line 4 from the amount on line 3. Enter the result here and on Form 2EZ, line 15..... 5_____

Line 16 – Total Payments

Enter the amount of the Montana income tax withheld from your income. This amount is reported in Box 17 of your federal Form W-2, given to you by your employer. If you fill out this line, you have to include a copy of your Form W-2 with this return. If you are filing electronically, you do not need to send us your Form W-2. You only need to keep a copy in your records.

Montana mineral royalty tax withheld, or income tax withheld as a result of an ownership interest in a pass-through entity, cannot be reported on line 16. If you had this type of tax withheld, you cannot file Form 2EZ and should instead file Form 2.

Line 17 – Late File Penalty, Late Payment Penalty and Interest

- **Late File Penalty**

  If you file your tax return after April 15, 2015—or October 15, 2015, with a valid extension—you will need to pay a late file penalty if tax on line 15 is greater than your withholding reported on line 16. You do not have to pay a late file penalty if you are filing your tax return late and you have a refund. To calculate your late file penalty, subtract line 16 from line 15 and enter this amount or $50, whichever amount is less.

- **Late Payment Penalty**

  If you have not paid all of your income tax liability by April 15, 2015, you will need to pay a late payment penalty. The late payment penalty is equal to 1.2% per month or part of a calendar month on the unpaid amount from April 15, 2015, until it is paid. For example, if you do not pay your tax due until May 10, 2015, your late payment penalty will be 2.4% (two parts of a month x 1.2%) of the unpaid tax. To calculate your late payment penalty, subtract the amount on line 16 from line 15 and then multiply this amount by 1.2% per month or part of a calendar month that your payment is late. Your late payment penalty will never exceed 12% (10 months x 1.2%) of the unpaid tax.

  Note: If your tax liability is $200 or less, and you have not filed your return and paid your tax due on or before October 15, 2015, Montana law requires that we assess a penalty on the amount you owe from the original due date of the return, which is April 15, 2015.

- **Interest**

  If you have not paid 100% of your income tax liability by April 15, 2015, you will have to pay 8% annual interest, computed daily, on the amount you still owe. To calculate your interest, subtract line 16 from line 15 and then multiply this amount by 0.02192% (0.0002192) times the number of days after April 15, 2015, that your tax is paid.

  Note: If your tax liability is $200 or less, and you have not filed your return and paid your tax due on or before October 15, 2015, Montana law requires that we assess interest on the amount you owe from the original due date of the return which is April 15, 2015.

If you owe more than one of the items listed for line 17, enter each amount you owe on the following worksheet:

Type	Amount
Late file penalty	
Late payment penalty	
Interest	
Total	

Enter the total on Form 2EZ, line 17. (You may wish to keep this information as part of your records for future reference.)

Line 18 – Montana Voluntary Check-Off Contribution Programs

Montana law provides you with the opportunity to contribute, via your income tax return, to the following programs. You can contribute any amount to any of these four programs. Your contribution will increase the amount you owe or reduce the amount of your refund.

Line 18a – Nongame Wildlife Program

Your contributions to this program are used to ensure the well-being of Montana's watchable wildlife species, such as eagles, herons, bluebirds, great horned owls, loons, chipmunks, pikas, flying squirrels and painted turtles.

Line 18b – Child Abuse Prevention Program

Your contributions to this program fund services and activities related to the prevention of child abuse and neglect.

Line 18c – Agriculture Literacy in Montana Schools Program

Your contributions to this program fund the development and presentation of educational programs. This program ensures Montana's young people have a better understanding of agriculture in our state and how it relates to the rest of the world.

Line 18d – Montana Military Family Relief Fund

Your contributions to this program help provide funding for grants that aid Montana families in defraying the costs of food, housing, utilities, medical services and other expenses when a wage earner has been called to active military duty.

Amount You Owe or Your Refund

Line 20 – Amount You Owe

If line 19 is greater than line 16, enter the difference. This is the amount you owe.

You can pay the amount you owe by:

- Electronic funds withdrawal when e-filing your joint federal/state tax return. You can schedule your withdrawal for a later date.

- E-check or credit card—please visit our website at *revenue.mt.gov* and click on Taxpayer Access Point (TAP) or Income Tax Express (ITE) e-payment services.
- Personal check, money order, or cashier's check—please use the voucher that we have provided with this income tax booklet. Make your check payable to the Montana Department of Revenue. Please sign your check, and write your social security number and "Tax Year 2014" on the memo line.

If you cannot pay the entire amount that you owe with your tax return, we encourage you to file your tax return timely and pay as much as you can. By filing and paying as much as you can by April 15, 2015, you may not have to pay a late file penalty and you can reduce the amount of your late payment penalty and interest. If you need to establish a payment plan, please call us toll free at (866) 859-2254 (in Helena, 444-6900) as soon as possible to discuss payment options and make arrangements.

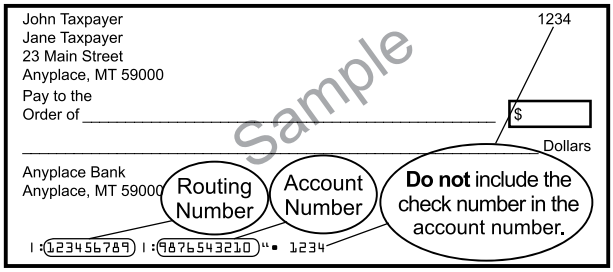
Line 21 – Your Refund

If line 16 is greater than line 19, enter the difference. This is your refund.

If you would like to use direct deposit, enter your financial institution's routing number (RTN#) and your account number (ACCT#) in the space provided. Your routing number will be nine digits and your account number can be up to 17 characters, including numbers and letters. Mark whether your account is a checking or savings account and if your refund will go to a bank outside of the United States and its territories (Midway Islands, Puerto Rico, American Samoa, US Virgin Islands, Federated States of Micronesia, and Guam).

If your financial institution does not accept the direct deposit, we will mail you a refund check.

A sample of a personal check is provided for your convenience.



Did you…?

- Enter the amount of exempt unemployment income on line 7 if you report unemployment income on line 5.
- Use the tax table in the instructions for Line 15 to calculate your tax. Multiply your income by the percentage in column A and then subtract the amount indicated in column B.
- Check your return to ensure you have no mathematical errors.
- Make sure that your refund or amount due is reported on the correct line.

Step 3. Sign, Assemble and File Your Return

► **Are you ready?**

- Gather the routing and account number of your checking or savings account if you will be receiving a refund and would like the money to be direct deposited.

Sign Your Return

Your tax return is considered incomplete unless you sign it. If you are filing a joint return, your spouse must also sign. Unsigned or incomplete returns cannot be processed and require us to contact you for additional information. If you have someone prepare your return, you are still responsible for the correctness of the return. If you are filing a joint return as a surviving spouse, see FAQ 20 on page 10.

Electronic Return Signatures

If you are filing your return electronically, you are not required to actually sign your return. The act of filing your return electronically signifies your declaration, under the penalty of false swearing, that:

- You are the taxpayer identified in the return; and
- The information in the return is true, correct and complete.

Your filing electronically, with this declaration, is your signature.

Daytime Phone Number

Providing your daytime phone number may help speed the processing of your return. We may have questions about items on your return and if you are able to answer our questions over the phone, we may be able to continue processing your return without mailing you a letter. If you are filing a joint return, you can enter either your or your spouse's daytime phone number.

Paid Preparer

Anyone you pay to prepare your return must sign it and include his or her Preparer Tax Identification Number (PTIN) in the space provided. Preparers should have a PTIN, but the preparer's Social Security Number (SSN) may be used when the paid preparer does not have a PTIN. The paid preparer must also include his or her firm's Federal Employer Identification Number (FEIN), if applicable. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return or include their PTIN or SSN.

Third Party Designee

If you want to allow your preparer, friend, family member, or any other person you choose to discuss your 2014 tax return with the department, mark the "Yes" box in the bottom of the signature block. You will also need to enter your designee's printed name and phone number. If you are filing a joint return, you are automatically authorizing us to discuss the joint return with either spouse, but you will still need to complete the third party designee section if you wish to allow another person, such as a tax preparer, to discuss your return with us.

If you do not complete the third party designee section according to these instructions, we cannot discuss your return with another person. By completing this section, you are authorizing the designee to:

- Give us any information that is missing from your return;
- Call us for information about the processing of your return or the status of your refund or payment(s); and
- Respond to notices from us about math errors, offsets and return preparation.

You are not authorizing the designee to discuss any other tax year, receive any refund check, bind you to anything or otherwise represent you before the Department. If you want to expand the designee's authorization, please view information about granting someone power of attorney at *revenue.mt.gov.*

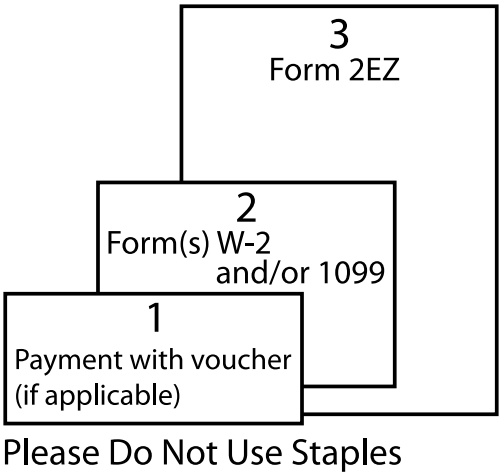
The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2015 return. This is April 15, 2016, for most people.

For additional information, please see FAQ 5 on page 7.

Assemble Your Return

Please include with your return all Form(s) W-2 and any Form(s)1099 reporting Montana withholding you were issued. If you forget to send your Form(s) W-2 or other withholding forms with your return, do not send them separately or with another copy of your tax return. Wait until we request them from you.

If you are filing your return on paper, you are required to include any applicable federal forms and schedules we requested on the return. You are not required to provide us with your entire federal return when you file your Montana return. However, you should retain your federal return in your tax records and be able to provide it to us upon request. Please assemble your return, without using staples, in the following order:



File Your Return

We encourage you to e-file your tax return. To see the e-filing options available to you, please see FAQ 7 on page 8 or visit *revenue.mt.gov.* If you have chosen to file your return on paper, you will need to mail your return to us.

If your tax return does not include a payment or shows you are due a refund, please mail your tax return to the following address:

Montana Department of Revenue
PO Box 6577
Helena, MT 59604-6577

If you are filing a tax return that includes a payment, please mail your tax return and check to:

Montana Department of Revenue
PO Box 6308
Helena, MT 59604-6308

Did you…?

- Receive a confirmation that your Montana return was accepted, if you are filing electronically.
- Sign your tax return, if you are filing on paper.
- Fill out the third party designee section, if you want to allow someone else to discuss your return with us.

FAQs—Frequently Asked Questions

Please find the answers to these questions identified by number on pages 6-11.

Filing Requirements

1. Do I have to file a Montana individual income tax return?
2. I have to file a Montana individual income tax return. Which form is appropriate for me and my situation?
3. How do I know whether I am a full-year resident, nonresident, or a part-year resident of Montana for individual income tax purposes?
4. When do I have to file my Montana tax return?
5. What does the checkbox that asks "Do you want to allow another person (such as a paid preparer) to discuss this return with us?" mean?
6. If I choose to file a paper return, where do I mail it?

Electronic Filing and Payment Options

7. What options do I have to file my Montana tax return electronically?
8. If I file my return electronically, what information do I have to send in and what documents do I have to retain?
9. What options do I have to pay my Montana taxes electronically?

Late Filed Returns

10. What happens if I do not file my Montana tax return on time?
11. What if I need more time to file my Montana tax return?

Amended Returns

12. What do I do if I made an error on my income tax return and I now want to correct it?
13. I have filed an amended federal tax return with the Internal Revenue Service, or the Internal Revenue Service has adjusted my federal tax return. Do I have to report this change to Montana? If so, how do I report this change?

Penalty and Interest

14. What happens if my payment is late?
15. What is the interest rate on unpaid taxes?

Refund Information

16. How can I check on my refund?

Special Situations

17. I am on active duty in the regular armed forces and currently serving in an area designated as a "combat zone" or "contingency operations." I am unable to file my Montana tax return by April 15, 2015. Can I (and my spouse) obtain an extension to file my 2015 Montana tax return?
18. My spouse has a past-due child support obligation and I don't want my refund to be applied to this debt. What can I do?
19. A mental or physical disability prevents me from completing and filing a tax return. What can I do?
20. How do I file for a deceased person?
21. I have heard that special rules apply to wages that Montana residents earn in North Dakota, or North Dakota residents earn in Montana. What are those rules?
    - I am a Montana resident. How do those rules apply to me?
    - I am a North Dakota resident. How do those rules apply to me?

Tax Records

22. What should I do if I did not receive a Form W-2, wage and tax statement, from my employer or I misplaced it?
23. How long do I need to maintain my tax records after I have filed my state tax return?

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1 Do I have to file a Montana individual income tax return?

If you are a resident, nonresident, or part-year resident, you have to file a Montana individual income tax return when you have Montana source income and your federal gross income, excluding unemployment compensation, is equal to or greater than the threshold for your filing status.

IF your filing status is…	AND at the end of 2014 you were…	THEN you have to file a tax return if your federal gross income, excluding unemployment compensation was at least…
Single, or married filing separately	Under 65	$4,370
	65 or older	$6,700
Head of household	Under 65	$4,370
	65 or older	$6,700
Married filing jointly with your spouse	Both under 65	$8,740
	One spouse 65 or older	$11,070
	Both spouses 65 or older	$13,400

You are entitled to an additional exemption if you are blind or your spouse is blind. Increase your federal gross income by $2,330 to determine if you are required to file.

2 I have to file a Montana individual income tax return. Which form is appropriate for me and my situation?

To use Montana Form 2EZ, you should be able to answer yes to all of the following:

- I was a Montana resident for all of 2014.
- I am filing as a single person or as a married person filing a joint tax return.
- My spouse and I were under 65 and not blind at the end of 2014.
- I am claiming no dependents.
- My only income is from wages, interest, dividends, or unemployment compensation.
- I am claiming the standard deduction rather than itemizing deductions.
- I am not claiming any credits.
- I did not have any military or tribal income that is exempt from income tax.

To use Montana Form 2M, you should be able to answer yes to all of the following:

- I was a Montana resident for all of 2014.
- I am filing as a single person, head of household, or as a married person filing a joint tax return.
- My only income is from wages, interest, dividends, capital gains, IRA distributions, pensions, annuities, unemployment compensation, social security benefits or refunds.
- The only tax credit that I may be claiming is one (or more) of the following:
  - Adoption Credit
  - Elderly Homeowner/Renter Credit (Form 2EC)
  - College Contribution Credit (Form CC)
  - Energy Conservation Installation Credit (Form ENRG-C)
  - Elderly Care Credit (Form ECC)
  - Alternative Energy Systems Credit (Form ENRG-B)
- I did not have any military or tribal income that is exempt from income tax.

You will have to use the Montana Form 2 if you answer yes to any of the following:

- I was a resident of Montana for only part of 2014.
- I am a nonresident of Montana with Montana source income.
- I am married, filing a separate Montana income tax return.
- My income includes:
  - income from a business or profession, farm or ranch, rents, royalties, partnerships, S corporations, estates or trusts; or
  - military or tribal income that is exempt from income tax.
- My tax year ended on a date other than December 31, 2014.
- I am claiming the tax withheld from my Montana mineral royalty payments.
- I am claiming the tax withheld by a pass-through entity from Montana Schedule K-1.

3 How do I know whether I am a full-year resident, nonresident, or a part-year resident of Montana for individual income tax purposes?

You are a resident of Montana for individual income tax purposes if you live in Montana or if you maintain a permanent home in Montana. A permanent home in Montana means a dwelling place you habitually use as your home, whether or not you own it and whether or not you may someday leave. You do not lose your Montana residency if you leave the state temporarily with the intention of returning. Your Montana residency is lost when you move outside of Montana with no intention of returning. Unless there is a specific exception under Montana law, if you establish Montana residency for any other purpose, you are considered a Montana resident for income tax purposes.

You are a nonresident of Montana if you were not a resident during any part of the tax year.

You are a part-year resident of Montana if you moved to or from Montana during the tax year with the intention of establishing a permanent residence in your new state.

A nonresident or part-year resident who is required to file a Montana tax return needs to use Form 2.

4 When do I have to file my Montana tax return?

Your 2014 Form 2EZ tax return is required to be filed by April 15, 2015. If filing after April 15, 2015, please see FAQs 10 and 11.

5 What does the checkbox that asks “Do you want to allow another person (such as a paid preparer) to discuss this return with us?” mean?

If you mark the “Yes” box, we can discuss any concerns that we might have with your 2014 tax return—for example, a missing W-2—with a third party designee. If you mark the “No” box or do not mark a box, we cannot discuss your return with anyone but you or someone to whom you have given a power of attorney that allows us to discuss the return with them.

If you and your spouse are filing a joint return or separately on the same form, and the “Yes” box is marked, each of you is authorizing us to call the third party designee to answer any questions that arise while we are processing your 2014 tax return.

By marking yes, you are also authorizing us to:

- Request that the third party designee give us any information that is missing from your return.

- Respond to the third party designee's call to us for information about the processing of your return or the status of your refund or 2014 payment(s).
- Discuss certain notices from us about math errors, offsets and return preparation. Note: The department will only send notices directly to you, not to the third party designee.

You are not authorizing the third party designee to receive any refund check, bind you to anything (including any additional tax liability), receive any information about any other tax year or tax matter, or otherwise represent you before the department.

Please be aware that this authorization cannot be revoked. The authorization will, however, automatically end no later than the due date, without regard to extensions, for filing your next year's (2015) tax return. This is April 15, 2016, for most people.

If you want to expand or change the third party designee's authorization (for example, to verify any estimated payments you'll be making in the future), you can use Form POA, Power of Attorney, Authorization to Disclose Tax Information. Form POA is available on our website at *revenue.mt.gov.* You also can grant your third party designee access to your tax account information through Taxpayer Access Point (TAP) at *https://tap.dor.mt.gov.*

6 If I choose to file a paper return, where do I mail it?

We have two different mailing addresses for your paper return, if you choose not to file electronically. We do this so that if you are asking for a refund, we can get your refund processed and to you more quickly and efficiently.

If you are filing a tax return that includes no payment or if you are due a refund, please mail your tax return to:

Montana Department of Revenue
PO Box 6577
Helena, MT 59604-6577

If you are filing a tax return that includes a payment, please mail your tax return and check to:

Montana Department of Revenue
PO Box 6308
Helena, MT 59604-6308

7 What options do I have to file my Montana tax return electronically?

- File your Montana tax form FREE through our website. For more information, please visit *revenue.mt.gov and click on Taxpayer Access Point (TAP)*. Please note that this service only applies to your Montana tax return; you may still have to file a federal tax return.
- File both your Montana and federal tax returns at the same time through the federal/state electronic filing either online or with software you download (options may be free or low-cost). Additional information can be found at *www.irs.gov* or on our website at *revenue.mt.gov*. A list of approved e-file software products for Montana filing can also be found on our website.
- File through a tax professional who is an Authorized IRS E-file Provider.
- File by using one of the free electronic filing options listed on *MontanaFreeFile.org*.

Please see the following chart to find out which e-filing methods are available to you as a first-time filer, full-year resident, part-year resident or nonresident.

	In 2014, I was a…			
	First-time filer	Full-year resident	Part-year resident	Nonresident
E-file with tax preparer	Yes	Yes	Yes	Yes
E-file with online/retail software	Yes	Yes	Yes	Yes
File a return through TAP*	Yes	Yes	Yes	Yes

**Taxpayer Access Point (TAP) is a free electronic service for accessing your Montana tax account information, filing your return, paying your tax and more. Visit revenue.mt.gov.*

If you have not previously filed a Montana return, you will need to file without logging in. If you have previously filed a Montana income tax return, you may choose to login to file, or file without logging in.

8 If I file my return electronically, what information do I have to send in and what documents do I have to retain?

If you file electronically, you don't have to mail in a paper copy of your tax return, any accompanying federal Form(s) W-2 or 1099, or any other Montana supplemental forms. When you file your tax return electronically, you represent that you have kept all the documents required as your tax record and that you will provide copies of these if we ask for them. You also don't have to sign a copy of your tax return and submit it to us. The act of completing and filing your tax return electronically is considered your authorized signature.

9 What options do I have to pay my Montana taxes electronically?

You can pay your Montana taxes electronically by using any of the following methods:

- Electronic funds withdrawal when e-filing your joint federal/state tax return. You can schedule a withdrawal for a date later than when you file your return. (There is no fee for an electronic funds withdrawal.)
- E-checks (There is no fee for an e-check payment.)

- Credit/debit cards (A small fee is applied for a credit card payment.)

To pay your Montana taxes electronically by e-check or using a credit/debit card, please visit *revenue.mt.gov* and click on Taxpayer Access Point (TAP) or Income Tax Express (ITE) e-payment services.

10 What happens if I do not file my Montana tax return on time?

If you file your tax return late, you will need to pay a late file penalty of $50 or the amount of tax due, whichever is less. You do not owe a late file penalty if you file a late tax return for which you are receiving a refund. Please remember that your return is considered late if you file after April 15, 2015, unless you qualified for an extension. If you were granted an automatic, six-month extension, your return is considered late after October 15, 2015.

11 What if I need more time to file my Montana tax return?

You are granted an automatic extension of time of up to six months for filing your Montana income tax return if one of the following applies to you:

- Your 2014 tax liability is $200 or less.
- You paid 100% of your 2013 Montana income tax liability through your estimated tax payments, your withholding, or a combination of both by April 15, 2015.
- You paid at least 90% of your 2014 Montana income tax liability through your estimated tax payments, your withholding, or a combination of both by April 15, 2015.
- You are a first time filer.
- You had zero or negative taxable income for 2013.

You do not need to apply for a federal extension in order to receive a Montana extension.

Please use the Montana Form EXT-14, 2014 Extension Payment Worksheet, to determine if you have to make an extension payment by April 15, 2015, to qualify for the automatic filing extension. You can get a copy of this form by visiting our website at *revenue.mt.gov* or calling us toll free at (866) 859-2254 (in Helena, 444-6900). If you are required to make an extension payment, please use the tax payment voucher found on this worksheet or sign up to make your payment online by visiting our website at *revenue.mt.gov*.

Important Unless you qualify for an extension because your tax liability is $200 or less, an extension of time to file your Montana income tax return is not an extension of time to pay your income tax liability. If your tax liability is more than $200 and you have a valid Montana extension but you have not paid your entire 2014 income tax liability by April 15, 2015, you are relieved of late file penalties but you are not relieved of late pay penalties and interest on your outstanding Montana income tax liability.

12 What do I do if I made an error on my tax return and I now want to correct it?

If you discover that your tax return was incorrect, you have five years from the due date of the original tax return to file an amended Montana tax return to correct the mistake. Please mark the “Amended Return” box found in the upper left-hand corner of the Montana tax return.

Include copies of any schedules submitted with the original filing, even if none of the amounts previously reported have changed.

Montana AMD Worksheet is available to help you reconcile the changes to the original tax return. Although not required, we suggest that you complete and include AMD Worksheet, or a similar form outlining the changes, with your corrected tax return. AMD Worksheet does not serve as an amended return on its own. You can get AMD Worksheet by visiting our website at *revenue.mt.gov*.

Important If you file an amended tax return that reflects an increased tax liability, you may have the late payment penalty waived. To receive the waiver, simply mark the “Amended Return” box on the top left-hand corner of the tax return and pay the tax and applicable interest in full when you file the amended return. By marking this box and paying all tax and interest, you are treated as having requested a waiver of the late payment penalty.

13 I have filed an amended federal tax return with the Internal Revenue Service, or the Internal Revenue Service has adjusted my federal tax return. Do I have to report this change to Montana? If so, how do I report this change?

Yes, you have to report the change to Montana. Within 90 days after you receive notification that the Internal Revenue Service changed or corrected your federal taxable income, or 90 days after you change your federal taxable income by filing an amended federal return, you have to file an amended Montana tax return. If you do not file an amended Montana return within that 90 days, we will have five years to adjust your Montana tax return to reflect the changes made on your federal tax return or make any other assessments of additional tax.

14 What happens if my payment is late?

If you do not pay all of your tax on or before April 15, 2015, you will need to pay a late payment penalty. This penalty is 1.2% per month or fraction of a calendar month on the unpaid tax. This penalty cannot exceed 12% of the tax due.

If you do not pay your tax liability by April 15, 2015, you will also be charged interest at a rate of 8% per year, accrued daily. If you can’t pay your tax in full, you should file your tax return by the due date and pay as much as you can with your tax return. If you wish to set up a payment plan, please call us toll free at (866) 859-2254 (in Helena, 444-6900) as soon as possible to discuss payment options and make arrangements to pay.

Note: If your tax liability is $200 or less, and you have not filed your return and paid your tax due on or before October 15, 2015, a late payment penalty and interest will be assessed on the amount you owe. Penalty and interest will be assessed from the original due date of the return, April 15, 2015.

Whether you just pay your tax late or are making a payment as part of a payment plan you established with us, be sure to include your name, social security number and the tax year for which the payment is to be applied clearly on your payment. If you intend to have one payment applied to more than one social security number or tax year, please include a statement with your payment that tells us how you want us to apply your payment.

15 What is the interest rate on unpaid taxes?

The current interest rate is 8%, and it will continue to be in effect through December 31, 2015. Under Montana law, the interest rate for all unpaid individual income taxes depends on the rate set by the Internal Revenue Service and may fluctuate each year, but will not be less than 8%.

16 How can I check on my refund?

You can check the status of a refund you are expecting by visiting our website at *revenue.mt.gov* and going to the "Where's My Refund?" link. You can also check the status of your refund by calling us toll free at (866) 859-2254 (in Helena, 444-6900). We will be able to tell you the status of your refund once it is processed and on our computer system.

Whether you are checking the status of your refund online or by phone, you will need to provide the following information:

- The social security number of the first taxpayer's name on your tax return; and
- The amount of the refund requested as shown on your tax return.

17 I am on active duty in the regular armed forces and currently serving in an area designated as a "combat zone" or "contingency operations." I am unable to file my 2014 Montana tax return by April 15, 2015. Can I (and my spouse) obtain an extension to file?

Yes, you can. Montana law follows federal law with respect to the time allowed for filing a return. Therefore, the extension of time to file your Montana tax return is the same for filing your federal tax return. If you are serving in a combat zone or in a contingency operation, you (and/or your spouse) can extend the filing of your Montana tax return for up to 180 days after your last day in a combat zone.

If you are filing your tax return under this provision, clearly write on the top of Montana Form 2, using red ink, "combat zone or contingency operations extension," and file your tax return within 180 days after your last day in a combat zone. If you file within the 180 days, you are not assessed any penalties or interest.

18 My spouse has a past-due child support obligation and I don't want my refund to be applied to this debt. What can I do?

If you do not want your refund to be applied toward your spouse's child support obligation, you can file your Montana tax return using Form 2 and filing status 3b, which is "married filing separate tax returns on separate forms." When using this filing status, each spouse claims his or her own income, losses, deductions, expenses, exemptions and credits, and your Montana refund would not be offset by your spouse's child support debt.

If you filed a joint return with your spouse and your refund was applied to your spouse's child support debt, you may be considered an "injured spouse" and we can help you resolve the matter. You need to contact us within 30 days after receiving notice that your refund was applied to your spouse's child support debt. If necessary, we can help you file the correct tax return(s).

19 A mental or physical disability prevents me from completing and filing a tax return. What can I do?

If you have a filing obligation but are unable to complete and file a tax return because of a mental or physical disability, the tax return can be prepared by your authorized agent, guardian or person responsible for your care and property.

20 How do I file for a deceased person?

If you are responsible for the financial affairs of a deceased person, you'll have to file a tax return for that person if his or her income exceeds the minimum filing requirements found in FAQ 1. If you and the deceased person were married, you can file a joint tax return. If you are filing a joint return and you are the surviving spouse, that is all that is required. All other filers requesting the deceased taxpayer's refund must file the return and include a federal Form 1310 as well as any court documents appointing you as the personal representative.

This tax return has to include the income of that deceased spouse from the beginning of the year to the date of death in addition to the income of the surviving spouse for the entire year. Income of the deceased person received after the date of death should not be included on an individual tax return. Post-death income is reported on a fiduciary income tax return for a trust or estate, Montana Form FID-3.

21 I have heard that special rules apply to wages that Montana residents earn in North Dakota, or North Dakota residents earn in Montana. What are those rules?

Montana and North Dakota have a reciprocal agreement. If a Montana resident performs personal or professional services for an employer in North Dakota, the wages are treated as being earned in Montana and the Montana resident does not have to file a North Dakota income tax return reporting those wages. If a North Dakota resident

performed personal or professional services for an employer in Montana, the wages are treated as being earned in North Dakota and the North Dakota resident does not have to file a Montana income tax return reporting those wages. The agreement also covers withholding taxes. Withholding is not required on wages treated as earned in the other state. The Montana-North Dakota agreement applies only to wages; other types of income, such as the self-employment income of an independent contractor or mineral royalties, are not included.

- **I am a Montana resident. How do those rules apply to me?**

You should report all of your wages on your Montana return—you are not required to file a North Dakota income tax return (unless your employer withheld North Dakota taxes on wages covered by the agreement and you need to file a North Dakota return to get a refund of those taxes). You can also claim an exemption from future North Dakota withholding by completing North Dakota Form NDW-R and giving it to your North Dakota employer. You can get this form from your employer, by visiting North Dakota's website at *nd.gov/tax* or by writing to Office of State Tax Commissioner, State Capitol, Bismarck, ND 58505.

- **I am a North Dakota resident. How do those rules apply to me?**

You should report all of your wages on your North Dakota return—you are not required to file a Montana income tax return (unless your employer withheld Montana taxes on wages covered by the agreement and you need to file a Montana return to get a refund of those taxes). If you have to file a Montana return to get a refund, complete Form 2, following the instructions for filing under the reciprocal agreement, and file by April 15, 2015. File as a nonresident and do not report the wages that you earned in Montana as "Montana source income."

You can also claim an exemption from future Montana withholding by completing Montana Form MT-R annually. File a copy with your employer by February 28 of the calendar year for which you want it to apply, or within 30 days after you begin working or change your permanent residence. You can get this form from your employer, by visiting our website at *revenue.mt.gov*, or by writing to Montana Department of Revenue, PO Box 5805, Helena, MT 59604-5805.

22 What should I do if I did not receive a Form W-2, wage and tax statement, from my employer or I misplaced it?

Your employer is required to issue a Form W-2 by January 31 if you earned wages during the previous calendar year. If you haven't received your Form W-2 by that date or you misplaced it, request your employer to reissue it. You may also obtain this information by completing a Request for Copies of Tax Information (Form RTI) and submitting it to us in person, by fax or by mail. You can obtain this form by visiting *revenue.mt.gov* or by calling us toll free at (866) 859-2254 (in Helena, 444-6900).

You still must file your tax return on time even if you do not receive your Form W-2. If you do not receive the missing information in time to file, you may complete federal Form 4852, Substitute for Form W-2, Wage and Tax Statement. Include Form 4852 with the return, estimating income and withholding taxes as accurately as possible. There may be a delay in any refund due while the information is verified. Keep a copy of the completed Form 4852 for your records.

If you receive a Form W-2 or W-2C (corrected form) after you have filed your return using Form 4852 and the information differs from what you reported on your return, you must amend your Montana individual income tax return.

23 How long do I need to maintain my tax records after I have filed my state tax return?

You should keep all your records for at least five years from the date that you filed your Montana tax return. This is called the statute of limitations. The statute of limitations for Montana individual income tax purposes is five years, and the statute of limitations for federal individual income tax purposes is three years. You should keep your property records and carryover information even longer.

Individual Income Tax Forms Available Upon Request

These forms are available on our website at *revenue.mt.gov,* and may be available at your library, post office, or your Department of Revenue county or IRS offices. You can also request forms by calling us toll free (866) 859-2254 (in Helena, 444-6900).

Form Name	Description
2EZ Booklet	2014 Individual Income Tax Form 2EZ with Instructions
2M Booklet	2014 Individual Income Tax Form 2M with Instructions
2 Booklet	2014 Individual Income Tax Form 2 with Instructions
2EC	Montana Elderly Homeowner/Renter Credit
2441-M	Child and Dependent Care Expense Deduction
AEPC	Alternative Energy Production Credit
AFCR	Alternative Fuel Credit
AMD Worksheet	Amended Return Reconciliation
BBSC	Biodiesel Blending and Storage Credit
CC	College Contribution Credit
DCAC	Dependent Care Assistance Credit
DS-1	Disability Income Exclusion Calculation
ECC	Elderly Care Credit
ENRG-A	Geothermal Systems Credit
ENRG-B	Alternative Energy Systems Credit
ENRG-C	Energy Conservation Installation Credit
ESA	Estimated Tax Annualization Worksheet
EST-I	Interest on Underpayment of Estimated Tax
ESW	Estimated Individual Income Tax Worksheet
ETM	Enrolled Tribal Member Exempt Income Certification/Return

Form Name	Description
EXT-14	Extension Payment Worksheet
FPC	Film Employment Production and Qualified Expenditures Credit
FRM	Farm and Ranch Risk Management Account
FTB	First-Time Home Buyer Savings Account
HI	Health Insurance for Uninsured Montanans Credit
IUFC	Infrastructure User Fee Credit
MHPE	Mobile Home Park Exclusion
MINE-CRED	Mineral and Coal Exploration Incentive Credit
MSA	Medical Care Savings Account
MT-R	Reciprocity Exemption from Withholding (For North Dakota residents who work in Montana)
NOL	Montana Net Operating Loss Worksheet (1999 and subsequent years)
NOL-Pre 99	Montana Net Operating Loss Worksheet (1998 and prior years)
OSC	Oilseed Crushing and Biodiesel/ Biolubricant Production Facility Credit
QEC	Qualified Endowment Credit
RCYL	Recycle Credit
TELC	Temporary Emergency Lodging Credit
VT	Veteran's Program Contribution and Deduction
Worksheet IX	Tax Benefit Rule for Recoveries of Itemized Deductions

Important Numbers

Tax Questions and Assistance..... toll free (866) 859-2254 (in Helena, 444-6900)
Forms Request..... toll free (866) 859-2254 (in Helena, 444-6900)
For the Hearing Impaired..... (406) 444-2830
Fax..... (406) 444-6642

Montana Department of Revenue
Post Office Box 5805
Helena, MT 59604-5805

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U.S. POSTAGE
PAID
MONTANA DEPARTMENT
OF REVENUE

No Return

Filing Checklist

If you e-file your tax return, be sure to:

- ☐ Receive confirmation that your return was accepted by the Montana Department of Revenue.
- ☐ If you have tax due, e-pay or mail a check by April 15, 2015.
- ☐ Keep a copy of your return with all schedules, worksheets, receipts and other supporting documents.

If you file your tax return by mail, be sure to:

- ☐ Sign the return. If you are filing a joint return, your spouse must also sign the return.
- ☐ Sign your check or money order if you have included a payment. Do not send cash.
- ☐ Include all W-2s and any 1099s reporting Montana withholding that you were issued for 2014.
- ☐ Include all schedules that support figures on your tax return. Do not include worksheets or blank schedules. You do not have to include your entire federal return.
- ☐ Keep a copy of your return with all schedules, worksheets, receipts and other supporting documents, including your federal return.
- ☐ Mail your return to the correct address.

If you have a refund or no payment due:

Montana Department of Revenue
PO Box 6577
Helena, MT 59604-6577

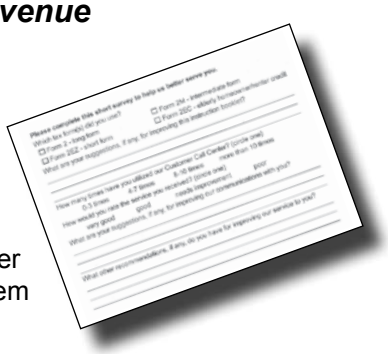
If you are sending a payment and voucher:

Montana Department of Revenue
PO Box 6308
Helena, MT 59604-6308

We value your comments and suggestions.

The Montana Department of Revenue works for you.

That's why we look forward to hearing what you have to say. Please let us know how we are doing by completing the improvement survey attached to this instruction booklet. Your comments and suggestions will help us do an even better job for you. And that makes our tax system work for all Montanans!



Where's My Refund?

revenue.mt.gov

Click on the Where's My Refund link.