

2024 Worksheets ESW, ESA, and TMSI Instructions

Getting started

These worksheets will calculate your estimated tax and payments based on entries you make in the green cells.

Select the appropriate workbook for your federal filing status:

ESW-Single is for taxpayers using the single, married filing separately filing status and estates and trusts.

ESW-MFJ is for taxpayers using the married filing jointly and qualifying surviving spouse filing status.

ESW-HoH is for taxpayers using the head of household filing status.

Worksheet ESA is for taxpayers using the annualized method to determine estimated taxes. Before completing Worksheet ESA, complete the Worksheet ESW for your filing status for each period and for your expected income for the entire year.

Worksheet ESW-TMSI is for nonresidents, part-year residents, and residents with nonresident spouses. If using Worksheet ESW-TMSI, first complete Worksheet ESW for your federal filing status, then complete this worksheet.

Worksheet ESW Instructions

Montana estimated tax payments are required if you will owe more than \$500 in tax, after any tax withholding and nonrefundable tax credits. You may base your payments on either 100 percent of your tax liability from the previous year or 90 percent of your current year tax liability. Worksheet ESW will determine your quarterly estimated payments based on the lesser of the two.

If you do not pay the required estimated payments, you may be charged penalties and interest, including interest on the underpayment of estimated taxes. See [Form EST-1](#) for more information about interest on the underpayment of estimated taxes.

Line Instructions

Only make entries in green cells.

Line 1. Enter your expected federal adjusted gross income for 2024. This is the same amount you will use to determine your federal quarterly estimated payments.

Line 2. Enter your federal standard deduction or your expected itemized deductions for 2024. The standard deduction amounts are listed on each worksheet.

If you expect to claim itemized deductions, do not include the state income tax deduction included in your federal itemized deductions, to the extent that it does not reduce your deduction below the standard deduction for your federal filing status. Use Worksheet A to determine the amount to report for your federal itemized deductions on line 2.

Worksheet A - State Income Tax Deduction Adjustment Worksheet			
1	Enter your estimated total federal itemized deductions	1	
2	Enter the amount of state income tax deduction you will include in your itemized deductions	2	
3	Subtract line 2 from line 1	3	
4	Enter the standard deduction for your federal filing status	4	
5	Enter the greater of line 3 or line 4 here and on Worksheet ESW, line 2.	5	

Estates and trusts, enter the allowable deductions. Do not include the federal qualified business income deduction.

Line 4. Enter your Montana additions. Montana additions include:

- Interest and mutual fund dividends from state, county, or municipal bonds from other states
- Recoveries of amounts deducted in earlier years that reduced Montana taxable income
- Expenses or deductions included in federal taxable income that are also used to claim a Montana tax credit
- Nonqualified distributions from a Montana Medical Savings Account or a Montana First-Time Homebuyers Account
- State income tax deductions included in federal taxable income (do not include any state income tax deductions included in your federal itemized deductions)
- Farm and ranch risk management account distributions
- Federal taxes paid by an S corporation
- Title plant amortization and depreciation

More information about additions may be found in the most recent version of the [Form 2 instructions](#).

Line 5. Enter your Montana subtractions. Montana subtractions include:

- State income tax refunds included in federal taxable income
- Interest and mutual fund dividends from federal bonds, notes, and obligations
- Recoveries of amounts deducted in earlier years included in federal taxable income that did not reduce Montana income tax
- [Exempt tribal income](#)
- [Military wages of an active duty servicemember](#)
- [Wages of some nonresident spouses of active duty servicemembers](#)
- Deposits into and interest earned on the principal of a Montana First-Time Homebuyer Account from before January 1, 2024
- [Deposits into and interest from a Montana Medical Savings Account](#)
- [Contributions to a Family Education Savings Account \(529 Account\)](#) (\$3,000 for single, married filing separately, head of household, and qualifying surviving spouse; \$6,000 for married filing jointly)
- [Contributions to an Achieving a Better Life Experience Account \(ABLE\)](#) (\$3,000 for single, married filing separately, head of household, and qualifying surviving spouse; \$6,000 for married filing jointly)
- Business-related expenses for purchasing recycled materials
- Business expenses not included in federal taxable income because a federal tax credit was taken
- Certain business expenses incurred by marijuana businesses
- Sales of land to beginning farmers
- Capital gains and dividends from Montana small business investment companies
- Certain gains recognized by liquidating corporations

- Capital gains on the eligible sale of a mobile home park
- Federal taxable Tier I and II Railroad Retirement benefits paid by the Railroad Retirement Board
- A subtraction of \$5,500 for taxpayers 65 and older (\$11,000 if married filing jointly and both are 65 and older)
- [For military retirees that either were residents before receiving military retirement or that became a Montana resident after June 30, 2023, a subtraction equal to the lesser of:](#)
 - [50% of military retirement benefits, or](#)
 - [100% of Montana-source wage income for working military retirees that are Montana residents](#)
- [Half of the military survivor benefits received by a resident that was a resident before receiving survivor benefit or that became a Montana resident after June 30, 2023](#)
- Payment received by an individual landowner for providing public access to public land
- Montana End of Watch Trust payments
- Inorganic fertilizer deduction
- Death benefits for a National Guard/Reservist member

More information about subtractions may be found in the most recent version of the [Form 2 instructions](#).

Line 7. If you do not have a net long-term capital gain, enter zero (0).

Montana taxes the net long-term capital gains of individual, estates, and trusts at lower rates. A long-term capital gain is the income realized from the sale of assets such as stocks, bonds, and real-estate owned for more than a year. The rate only applies to long-term capital gains. Qualified dividends do not qualify for this rate and are taxed at the ordinary tax rate. Generally, this is the amount that you report on federal Schedule D, line 15.

Long-term capital gains are taxed at two rates unless Montana ordinary income is greater than the amount for the filing status. Montana ordinary income is Montana taxable income that is not considered a long-term capital gain.

To determine your long-term capital gains tax rate, calculate your total Montana ordinary income by subtracting your long-term capital gains from your Montana taxable income. Use this amount to determine the rate for your long-term capital gain, up to the top of the first bracket of 3 percent. The portion of your long-term capital gain that exceeds the first bracket will be taxed at 4.1 percent. Tax brackets are found on the 2024 Montana Tax Tables tab of the spreadsheet.

For Montana ordinary income above the amounts below, all net long-term capital gains are taxed at 4.1 percent.

Filing status	Montana ordinary income
Single, married filing separately, estates, and trusts	\$20,500
Married filing jointly and qualifying surviving spouse	\$41,000
Head of household	\$30,750

Line 9. If there is an amount on line 7, the filing status limit will auto-populate on this line.

Lines 13 and 15. The sum of these lines are your total Montana net long-term capital gains tax.

Line 18. Enter your anticipated amount of a nonrefundable tax credit.

This chart includes all of the nonrefundable tax credits currently available along with where to find more information about the qualifications for each credit. Several tax credits were repealed beginning with Tax Year 2021 that had carryover provisions. If you incurred a carryover from a repealed tax credit, include that amount as a nonrefundable tax credit on this line.

Tax Credit	Form/Instructions
Credit for income taxes paid to another state or country	Form 2 or FID-3 instructions
Qualified Endowment Credit	Form QEC
Recycle Credit	Form RCYL
Apprenticeship Credit	Form 2 instructions
Trades Education and Training Credit	Form TETC
Innovative Educational Program and Student Scholarship Organization Tax Credits	Tax Credits For Qualified Education Contributions Guide
Contractor's Gross Receipts Tax Credit	Montana Business Tax Guide For The Public Contractor's 1% Gross Receipts Tax
Historic Property Preservation Tax Credit	Form 2 instructions
Infrastructure Users Fee Credit	Form IUFC
Media Tax Credit	Form MEDIA-CLAIM
Jobs Growth Incentive Credit	Form JGI

Line 19. Enter the amount of a recapture tax or lump sum taxes you expect to owe. See [Form 2 instructions](#) for more information about recapture taxes and lump sum taxes.

Line 22. Enter your tax liability from 2023. This is found on your 2023 Form 1040, line 20. Estates and trusts enter the amount reported on 2023 Form FID-3, line 36.

Line 24. Enter any tax payments made on your behalf and Montana refundable tax credits when estimating your Montana tax, including:

- Wage withholding
- Mineral royalty withholding
- Pass-through withholding or pass-through entity taxes paid on your behalf by a pass-through entity
- Loan-out withholding from a loan-out company for purposes of the Media Credit

In addition to payments, include any of these Montana refundable tax credits that you anticipate taking.

Tax Credit	Forms/Instructions
Elderly Homeowner/ Renter Credit	Form 2 instructions
Adoption Tax Credit	Form ADPT
Unlocking Public Lands Credit	Form 2 instructions

Do not report a carryforward of overpaid tax from a previous tax year. This amount will be reported on line 27.

Line 27. This line applies any payments that were previously made to your required estimated payment amount found on line 2. Enter the total amount of a carryover of overpaid tax from a previous tax year or any amounts that have already been paid in Column 1. The overpayment will be applied to each column sequentially.

If your overpayment is more than your tax due for any quarter, the amount shown in the following columns will be the total amount of your overpayment.

Line 28. These are your required quarterly payments.

Worksheet ESA

Use Worksheet ESA if your income varies during the year because, for example, you operate your business on a seasonal basis. This method may allow you to lower or eliminate the amount of one or more required installments by using the annualized income installment method. The annualization method allows you to calculate your estimated tax and each installment based on the total amount of income you received since the beginning of the year, and up until the end of the quarter.

This method is particularly suited for taxpayers with fluctuating or seasonal income because it allows you to both adjust your estimated tax and your quarterly payments, based on the income you received during the quarter.

You may still have to estimate withholding on other types of income.

Before completing Worksheet ESA, complete Worksheet ESW for your filing status using the amounts you expect to have received in each period.

Keep Worksheet ESA in your records. The department may ask you to provide a copy and/ or other documents showing when you received your income.

Line Instructions

Line 1. Line 1 reports the annualization amounts used to determine the amounts for estimated tax. These are the amounts required by law to be used in determining your annualized income and tax using when using this method. ([15-30-2512\(4\), MCA](#)).

Line 2. Report the amount of estimated federal adjusted gross income for each period. You will report the amount cumulatively. For example, if you earn \$55,000 from January 1 to March 31, and \$25,000 from April 1 to May 31, you will report \$55,000 in Column 1 and \$80,000 in Column 2.

Line 4. If you plan to itemize your deductions on your federal return enter the amount of deductions you plan to have in each period. Report this amount cumulatively just as you reported your income. Skip this line if you will not itemize your federal deductions.

Estates and trusts report the amount of allowable deductions for each period. Do not include the federal qualified business income deduction.

Line 6. If you do not plan to itemize your deductions on your federal return report the standard deduction for your filing status in each column. Standard deduction amounts may be found on the Worksheet ESW for your filing status.

Estates and trusts leave this line blank.

Line 9. Report your Montana additions for each period cumulatively. See pages 1 and 2 for the list of Montana additions.

Line 11. Report your Montana subtractions for each period cumulatively. See page 2 for the list of Montana subtractions.

Line 14. Use the amount on line 13 in each column to determine your tax. To do this, complete Worksheet ESW for your filing status for the period in each column. If any part of the amount on Worksheet ESA, line 13 includes a long-term capital gain be sure to report that amount on Worksheet ESW, line 7 to determine your Montana net long-term capital gains tax.

Line 15. Enter your anticipated amount of a nonrefundable tax credit in the period of the column you expect to incur the credit. See page 3 for a list of nonrefundable tax credits.

Line 21. Complete Worksheet ESW for your filing status using the total estimated income for the entire tax year (January 1 through December 31 for calendar year filers) to determine the amount of estimated tax to report on line 21. Divide the total estimated tax amount on Worksheet ESW, line 23 by four and enter that amount in each column.

Line 24. This line reports the lesser of the estimated payment determined on the Worksheet ESW or the amount determined under the annualization method. These are your quarterly estimated payments for the tax year if you choose to use this method. On your Form 2, Schedule IV, line 2, mark the "Estimated payments made using the annualization method" box.

Worksheet ESW-TMSI

Use Estimated Payments for Nonresidents, Part-Year Residents, and Montana Residents with Nonresident or Part-Year Resident Spouses, (Worksheet ESW-TMSI) if you are a nonresident, part-year resident, or a Montana resident with a nonresident or part-year resident spouse. You must complete Worksheet ESW for your filing status before completing this worksheet.

Line 2. Add lines 13 and 15 on the Worksheet ESW for your filing status for your total Montana net long-term capital gains tax.

Line 16. Enter any tax payments made on your behalf and Montana refundable tax credits when estimating your Montana tax, including:

- Wage withholding
- Mineral royalty withholding
- Pass-through withholding or pass-through entity taxes paid on your behalf by a pass-through entity
- Loan-out withholding from a loan-out company for purposes of the Media Credit

In addition to payments, include any of these Montana refundable tax credits that you anticipate taking.

Tax Credit	Forms/Instructions
Elderly Homeowner/ Renter Credit	Form 2 instructions
Adoption Tax Credit	Form ADPT
Unlocking Public Lands Credit	Form 2 instructions

Do not report a carryforward of overpaid tax from a previous tax year. This amount will be reported on line 19.

Line 19. This line applies any payments that were previously made to your required estimated payment amount found on line 2. Enter the total amount of a carryover of overpaid tax from a previous tax year or any

amounts that have already been paid in Column 1. The overpayment will be applied to each column sequentially.



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