



2018 Montana Income Tax Return for Estates and Trusts

Include a complete copy of the federal Form 1041 and all related forms and schedules.

For calendar year 2018 or tax year beginning MMDD2018 and ending MMDDYYYY

Mark all that apply.

- Initial return
- Final return
- Amended return
- Refund return
- Estate or filing trust made a Section 645 election

Name of Estate or Trust	FEIN
Name and Title of Fiduciary	Date Entity Created MMDDYYYY
Mailing Address	Enter number of:
City State Zip Code + 4	Schedules K-1 included
	Resident beneficiaries
	Nonresident beneficiaries
	Other types of beneficiaries

Entity Type. Mark all that apply.

Entity Type. Mark all that apply.			Residency Status	
<input type="checkbox"/> Decedent's estate	<input type="checkbox"/> Qualified disability trust	<input type="checkbox"/> Bankruptcy estate (Chapter 11)	<input type="checkbox"/> Resident	<input type="checkbox"/> Resident part-year
<input type="checkbox"/> Simple trust	<input type="checkbox"/> ESBT	<input type="checkbox"/> Pooled income fund	<input type="checkbox"/> Nonresident	State moved to
<input type="checkbox"/> Complex trust	<input type="checkbox"/> Grantor type trust	<input type="checkbox"/> Qualified funeral trust		State moved from
	<input type="checkbox"/> Bankruptcy estate (Chapter 7)	<input type="checkbox"/> Other	Date of change	MMDDYYYY

Enter amounts on lines 1 through 17 corresponding to your federal return. Round to the nearest dollar. If no entry, leave blank.

Income	Description	Line	Amount
	1. Interest income	1.	00
	2. Ordinary dividends	2.	00
	3. Business income or (loss). Federal Business Code/NAICS 	3.	00
	4. Capital gain or (loss)	4.	00
	5. Rents, royalties, partnerships, other estates and trusts, etc.	5.	00
	6. Farm income or (loss)	6.	00
	7. Ordinary gain or (loss)	7.	00
	8. Other income. List type and amount	8.	00
	9. Add lines 1 through 8. Total federal income.	9.	00
	Line 9 must equal the total income reported on federal Form 1041 (see instructions for Electing Small Business Trust).		

Deductions and Exemption	Description	Line	Amount
	10. Interest	10.	00
	11. Taxes (do not include federal income tax deduction)	11.	00
	12. Fiduciary fees	12.	00
	13. Charitable deduction	13.	00
	14. Attorney, accountant, and return preparer fees	14.	00
	15. Other deductions (include schedule)	15.	00
	16. Add lines 10 through 15	16.	00
	17. Federal adjusted total income or (loss). Subtract line 16 from line 9. (The amount on this line must equal federal Form 1041, line 17.)	17.	00
	18. Montana additions from Schedule A, line 9	18.	00
	19. Montana deductions and subtractions from Schedule B, line 11	19.	00
	20. Add lines 17 and 18, then subtract line 19. Montana adjusted total income or (loss).	20.	00
	21. Montana income distribution deduction from Schedule C, line 13, but not less than zero	21.	00
	22. Exemption	22.	2440 00
	23. Add lines 21 and 22. Total Montana income distribution deduction and exemption.	23.	00
	24. Subtract line 23 from line 20. Montana taxable income.	24.	00

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Taxes and Credits	25. Montana taxable income from line 24.....	25.	<input type="text"/>	00
	26. Tax from the tax table. If line 25 is zero or less, enter zero	26.	<input type="text"/>	00
	27. 2% capital gains tax credit on undistributed capital gains from Schedule E, line 4	27.	<input type="text"/>	00
	28. Subtract line 27 from line 26. If zero or less, enter zero. Resident tax after capital gains tax credit.	28.	<input type="text"/>	00
	28a. Nonresident, resident part-year tax after capital gains credit from Schedule F, line 17, but not less than zero	28a.	<input type="text"/>	00
	29. Tax on lump sum distributions	29.	<input type="text"/>	00
	30. Add line 28 or 28a and line 29. Total tax.	30.	<input type="text"/>	00
	31. Credit for taxes paid to other states or countries (see instructions)	31.	<input type="text"/>	00
	32. Other nonrefundable credits. List credit form(s)	32.	<input type="text"/>	00
	33. Add lines 31 and 32. Total nonrefundable credits.	33.	<input type="text"/>	00
Payments and Refundable Credits	34. Subtract line 33 from line 30. If zero or less, enter zero	34.	<input type="text"/>	00
	35. Endowment credit recapture tax.....	35.	<input type="text"/>	00
	36. Add lines 34, 35 and the ESBT tax liability from Schedule G, line 12. Tax liability.	36.	<input type="text"/>	00
	37a. Total Montana income tax withheld. Include federal Form(s) W-2 and 1099.....	37a.	<input type="text"/>	00
	37b. Montana income tax withheld allocated to beneficiaries	37b.	<input type="text"/>	00
	37. Subtract line 37b from 37a. Montana income tax withheld allocable to the estate or trust.	37.	<input type="text"/>	00
	38a. Total Montana pass-through entity withholding. Include Montana Schedule K-1	38a.	<input type="text"/>	00
	38b. Montana pass-through entity withholding allocated to beneficiaries	38b.	<input type="text"/>	00
	38. Subtract line 38b from 38a. Montana pass-through entity withholding allocable to the estate or trust.	38.	<input type="text"/>	00
	39a. Total Montana mineral royalty tax withheld. Include federal Forms 1099 and supporting schedule if any.....	39a.	<input type="text"/>	00
39b. Mineral royalty tax withheld allocated to beneficiaries.....	39b.	<input type="text"/>	00	
39. Subtract line 39b from 39a. Mineral royalty tax withheld allocable to the estate or trust.	39.	<input type="text"/>	00	
Tax	40. 2018 estimated tax payments and amount applied from the 2017 return	40.	<input type="text"/>	00
	41. 2018 extension payments.....	41.	<input type="text"/>	00
	42. Refundable credits. List credit form(s)	42.	<input type="text"/>	00
	43. Add lines 37 through 42. Total payments and refundable credits.	43.	<input type="text"/>	00
	44. If line 36 is greater than line 43, subtract line 43 from line 36. Tax due.	44.	<input type="text"/>	00
Penalties and Interest	45. If line 43 is greater than line 36, subtract line 36 from line 43. Tax overpaid.	45.	<input type="text"/>	00
	46. Interest on underpayment of estimated taxes (see instructions).....	46.	<input type="text"/>	00
	47. Late file, late payment penalties and interest (see instructions and table).....	47.	<input type="text"/>	00
	48. Other penalties (see instructions).....	48.	<input type="text"/>	00
	49. Add the amounts on lines 46 through 48. Total penalties and interest.	49.	<input type="text"/>	00

Continue to page 3 for the calculation of the amount the entity owes or its refund.

2018 Montana Fiduciary 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
\$0	\$3,000	1% (0.010)	\$0	
\$3,000	\$5,200	2% (0.020)	\$30	
\$5,200	\$8,000	3% (0.030)	\$82	
\$8,000	\$10,800	4% (0.040)	\$162	
\$10,800	\$13,900	5% (0.050)	\$270	
\$13,900	\$17,900	6% (0.060)	\$409	
More Than \$17,900		6.9% (0.069)	\$570	

For example: Taxable income \$6,800 X 3% (0.030) = \$204 \$204 minus \$82 = \$122 tax

Questions? Call us at (406) 444-6900, or Montana Relay at 711 for hearing impaired.



Schedule B – Schedule of Deductions/Subtractions

1. Federal income tax deduction	1.		00
2. Exempt interest and mutual fund dividends from federal bonds, notes, and other obligations	2.		00
3. State tax refunds included on Form FID-3, line 8	3.		00
4. Other recoveries of amounts deducted in earlier years that did not reduce Montana taxable income	4.		00
5. Partial pension and annuity income exemption. (See worksheet and instructions.)	5.		00
6. Subtraction for federal taxable U.S. Railroad Retirement Board benefits (Tier I and Tier II)	6.		00
7. Expenses allocated to other states' interest and mutual fund dividends	7.		00
8. Montana net operating loss carryover from Montana Form NOL (see instructions)	8.		00
9. State and local taxes limited to \$10,000 (see instructions)	9.		00
10. Other subtractions. List type _____ and amount	10.		00
11. Total deductions/subtractions (add lines 1 through 10). Enter the total on Form FID-3, line 19	11.		00

Schedule C – Montana Distributable Net Income (MDNI) and Montana Income Distribution Deduction (MIDD)

1. Montana adjusted total income or (loss) from Form FID-3, line 20. If Montana adjusted total income AND the total from Form FID-3, line 4 are losses, use the smaller loss	1.		00
2a. Add: Federal tax exempt income (gross)	2a.		00
2b. Less: Expenses allocated to federal tax exempt income	2b.		00
2c. Add: Income from federal obligations that is tax exempt for Montana	2c.		00
2d. Less: Expenses allocated to income from federal obligations that are tax exempt for Montana	2d.		00
2e. Add: Expenses allocated to non-Montana municipal income taxable to Montana	2e.		00
2f. Less: Non-Montana municipal income taxable to Montana	2f.		00
2. Montana adjusted tax exempt interest income	2.		00
3a. Enter the amount from federal Form 1041, Schedule B, line 3	3a.		00
3b. Enter the amount from federal Form 1041, Schedule B, line 4	3b.		00
3c. Enter the amount from federal Form 1041, Schedule B, line 5	3c.		00
3. Total net capital gains. Add lines 3a through 3c	3.		00
4. If the amount on Form FID-3, line 4 is a gain, enter as a negative number. If the amount on Form FID-3, line 4 is a loss, enter the loss as a positive number	4.		00
5. Montana distributable net income. Combine lines 1 through 4. If zero or less, enter zero	5.		00
6. If a complex trust, enter the accounting income for the tax year as determined under the governing instrument	6.		00
7. Income required to be distributed currently	7.		00
8. Other amounts paid, credited or otherwise required to be distributed	8.		00
9. Actual total distributions for the year. Add lines 7 and 8	9.		00
10. Tax exempt income included in actual distributions included on line 9	10.		00
11. Tentative income distribution deduction based on actual distributions. Subtract line 10 from line 9	11.		00
12. Tentative income distribution deduction. Subtract line 2 from line 5. If zero or less, enter zero	12.		00
13. Montana income distribution deduction. Enter the smaller of line 11 or line 12 and on Form FID-3, line 21. If zero or less, enter zero	13.		00



Schedule D – Beneficiaries and Montana Income Distributions

List name and address of each beneficiary receiving distributions reported on Form FID-3, line 21. If more than 10 beneficiaries, see instructions.

A		B		C		D	
Beneficiary Information: Name Street Address City State Zip Code		Identification Number		Residency Status		Montana Income Distribution Received by Beneficiary	
1.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
2.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
3.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
4.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
5.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
6.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
7.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
8.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
9.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
10.		SSN	<input type="text"/>	Resident			
		FEIN	<input type="text"/>	Resident part-year			
				Nonresident			00
Total							00





Schedule E – Capital Gains Tax Credit Calculation

1. Enter the capital gain or (loss) from Form FID-3, line 4.....	1.	<input type="text"/>	<input type="text"/>	00
2. Enter the net capital gains reported on federal Form 1041, Schedule D, Part III, line 19 column (1) Beneficiaries.....	2.	<input type="text"/>	<input type="text"/>	00
3. Subtract line 2 from line 1. Net capital gains eligible for the credit.....	3.	<input type="text"/>	<input type="text"/>	00
4. If line 3 is greater than \$0, multiply line 3 by 2% (.02). If line 3 is less than or equal to \$0, enter \$0. Allowable capital gains tax credit. Enter on Form FID-3, line 27.....	4.	<input type="text"/>	<input type="text"/>	00

Schedule F – Nonresident /Resident Part-Year Estate and Trust Tax

	A Total income		B Montana source income included in column A		
1. Interest income.....	1.	<input type="text"/>	00	<input type="text"/>	00
2. Ordinary dividends.....	2.	<input type="text"/>	00	<input type="text"/>	00
3. Business income or (loss).....	3.	<input type="text"/>	00	<input type="text"/>	00
4. Capital gain or (loss).....	4.	<input type="text"/>	00	<input type="text"/>	00
5. Rental real estate, royalties, partnerships, S corporations, other estates and trusts, etc.....	5.	<input type="text"/>	00	<input type="text"/>	00
6. Farm income or (loss).....	6.	<input type="text"/>	00	<input type="text"/>	00
7. Ordinary gain or (loss).....	7.	<input type="text"/>	00	<input type="text"/>	00
8. Other income.....	8.	<input type="text"/>	00	<input type="text"/>	00
9. Interest and mutual fund dividends from other states' state, county or municipal bonds.....	9.	<input type="text"/>	00	<input type="text"/>	00
10. Dividends not included in total federal income.....	10.	<input type="text"/>	00	<input type="text"/>	00
11. Taxable federal refund.....	11.	<input type="text"/>	00	<input type="text"/>	00
12. Other recoveries of amounts deducted in earlier years that reduced Montana taxable income.....	12.	<input type="text"/>	00	<input type="text"/>	00
13. Other additions.....	13.	<input type="text"/>	00	<input type="text"/>	00
14. Add lines 1 through 13 and enter the result here. Column B is the estate or trust's Montana source income.	14.	<input type="text"/>	00	<input type="text"/>	00
15. Divide the amount in column B, line 14 above by the amount in column A, line 14 above and enter result here. Round to 6 decimal places and do not enter more than 1.000000.....	15.	<input type="text"/>	.	<input type="text"/>	<input type="text"/>
16. Enter the resident tax after capital gains tax credit reported on Form FID-3, line 28.....	16.	<input type="text"/>	<input type="text"/>	<input type="text"/>	00
17. Multiply the tax on line 16 by the percentage on line 15 and enter here and on Form FID-3, line 28a. Estate or trust nonresident/resident part-year tax after capital gains tax credit.	17.	<input type="text"/>	<input type="text"/>	<input type="text"/>	00

Schedule F applies to nonresident and resident part-year estates and trusts only. The fiduciary will use this schedule to compute the ratio of Montana source income to total income. This ratio is then multiplied by the resident tax from FID-3, line 28 to determine the nonresident or resident part-year tax to be reported on FID-3, line 28a.

Column A – Enter on lines 1 through 13 the total income from Form FID-3, lines 1 through 8 and Schedule A (see instructions).

Column B – Enter on lines 1 through 13 the Montana source income from Form FID-3, lines 1 through 8 and Schedule A (see instructions).

How does a nonresident estate or trust determine its Montana source income?

For further information and a line-by-line description of Montana source income, refer to Form FID-3, Schedule F instructions.





Schedule G – Electing Small Business Trust Tax Calculation

1. Total federal adjusted ESBT income (include federal schedule)	1.	<input type="text"/>	<input type="text"/>	00
2a. Montana additions to ESBT income (include statement).....	2a.	<input type="text"/>	00	
2b. Montana deductions to ESBT income (include statement).....	2b.	<input type="text"/>	00	
2. Subtract line 2b from 2a	2.	<input type="text"/>		00
3. Add lines 1 and 2. Montana adjusted ESBT income.	3.			00
4. Tax from tax table. If line 3 is zero or less, enter zero	4.			00
5a. Net capital gains reported on line 3.....	5a.	<input type="text"/>	00	
5. Multiply line 5a by 2% (.02). Capital gains tax credit.	5.			00
6. Subtract line 5 from line 4. If zero or less, enter zero. Resident tax after capital gains tax credit.	6.			00
<i>If a resident or resident part-year trust, complete lines 7a and 7. If a nonresident trust, skip lines 7a and 7.</i>				
7a. Enter the total credit for income taxes paid to another state or country.....	7a.	<input type="text"/>	00	
7. Subtract line 7a from line 6.....	7.			00
<i>If a nonresident or resident part-year trust, complete lines 8a through 8c and 8. If a resident trust, skip lines 8a through 8c and 8.</i>				
8a. Enter the amount from lines 1 and 2a	8a.	<input type="text"/>	00	
8b. Enter the Montana source income reported on line 3. Include Montana Schedule(s) K-1.....	8b.	<input type="text"/>	00	
8c. Divide the amount on line 8b by the amount on line 8a (round to 6 decimal places)	8c.	<input type="text"/>	.	<input type="text"/>
8. Multiply the amount on line 8c by line 6 if a nonresident trust. Multiply the amount on line 8c by line 7 if a resident part-year trust. Nonresident or resident part-year trust tax after capital gains tax credit.	8.			00
9. Tax on lump sum distributions	9.			00
10. Endowment credit recapture tax.....	10.			00
11. Other nonrefundable credits. List credit form(s)	11.			00
12. If a resident trust, add lines 7, 9 and 10. If a nonresident or resident part-year trust add lines 8 through 10. Subtract line 11 from the result. If zero or less, enter zero. Enter here and on Form FID-3, line 36. ESBT tax liability.	12.			00





Schedule H – Reporting of Special Transactions, NOL and Amended Return Information

Part I. Reporting of Special Transactions

Complete this part only if the estate or trust filed any of the federal income tax forms described below. Mark the appropriate box indicating which form the estate or trust filed with the Internal Revenue Service for this tax year. If your answer is "Yes" to one or more of these forms, include a complete copy of the federal Form 1041.

- 1. The estate or trust filed federal **Form 8918 – Material Advisor Disclosure Statement** with the Internal Revenue Service Yes
Material advisors are required to file Form 8918 for any reportable transactions.
- 2. The estate or trust filed federal **Form 8824 – Like-Kind Exchanges** with the Internal Revenue Service..... Yes
NOTE: Mark the box if the like-kind exchange includes Montana property. Nonresidents do not have to report a like-kind exchange if the properties involved do not include Montana property.
Use Form 8824 to report each exchange of business or investment property for property of a like kind.
- 3. The estate or trust filed federal **Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships** with the Internal Revenue Service Yes
Use Form 8865 to report the information required under 26 USC 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interest).
- 4. The estate or trust filed federal **Form 8886 – Reportable Transaction Disclosure Statement** with the Internal Revenue Service Yes
Use Form 8886 to disclose information for each reportable transaction in which the estate or trust participated.

Part II. Net Operating Loss (NOL) Carryback Election for Farming Loss

Check here if you elect to forgo the carryback of a 2018 farming NOL. You have to make this election by the due date (including extension) for filing your 2018 income tax return. If you forgo the carryback of a 2018 NOL, report the amount from Montana Form NOL, Schedule A, line 25 on the appropriate line on the 2019 form FID-3, Schedule B

Part III. Amended Return. Check the appropriate box(es).

- a. Farming NOL carryback.....
- b. Federal audit.....
- c. Amended federal return
- d. Filing status
- e. Other.....

In the table below, indicate the line references for which you are reporting a change and explain in detail the reason(s) for the change.

Form or Schedule	Line or Box Number	Reason(s) for Change

