



Montana Tax News You Can Use

Items on TAP

Taxpayer Access Point (TAP) - our online service that allows you to electronically submit returns, manage accounts and make payments - is now up and running for the 2012 tax season.

There are several good reasons why tax preparers in Montana are using TAP. One of those reasons is that preparers have access to all sorts of taxpayer data right at their finger tips. Have a look at this [flyer](#) to see all of the advantages that TAP users have.

Keep in mind that TAP also allows you to look up your client's individual returns from the previous two years, no matter how you or your client filed those returns.

The Montana Annual Withholding Tax Reconciliation form (MW3) is also now available on TAP.

Reminder from the Call Center: When out-of-state corporations need to file

When a corporation registers with the Montana Secretary of State to do business in the state, the Department of Revenue expects the corporation to file a return reporting its business activity in Montana. If a corporation is engaged in business in Montana and files as a Subchapter C with the IRS, it needs to file a Montana Form CLT-4.

If the corporation has registered with the Secretary of State but has not yet engaged in business in Montana by the time the tax year has ended, it must notify the department that no business activity occurred during that tax year. This notification must come in the form of a tax filing. The corporation can file either a Form CLT-4, indicating on the form that the corporation is inactive, or a Form INA-CT (Affidavit of Inactivity for Corporations). The corporation must file either one of these forms every year.

Likewise, if an active corporation has been filing Form CLT-4 each year and has a tax period during which it had no business activity in Montana, the corporation is still required to notify us by filing a form. The corporation can file either Form CLT-4, indicating on the form that the corporation is inactive, or Form INA-CT for each year the corporation is inactive.

One exception to these filing requirements applies to limited liability companies (LLC) that are taxed as Subchapter C corporations. These entities do not meet the requirements to file Form INA-CT. Consequently, if an LLC has a year in which they are not engaged in business, it must file Form CLT-4, indicating on the form that it was inactive for the tax year.

Please note that a corporation has no tax liability for any tax period it is not engaged in business. The \$50 minimum tax liability provided for in Section 15-31-121, MCA, does not apply to inactive corporations. To determine if your corporation is, in fact, inactive for purposes of the corporation license tax, please refer to the instructions for Form INA-CT.

Forms CLT-4 and INA-CT are available [here](#).

Thousands of Montanans could be eligible for property tax relief

The Department of Revenue estimates that thousands of Montanans who are eligible for property tax relief do not take advantage of the relief programs available to them.

One of the programs, the Property Tax Assistance Program (PTAP), provides property tax relief to applicants who own and occupy their homes as their primary residence for at least seven months during the preceding calendar year and meet the income requirements, which range from \$0 to \$20,809 for a single person and \$0 to \$27,745 for households with more than one owner occupant. There is no age restriction.

Currently the department receives about 18,000 PTAP applications annually, but has identified up to 47,000 additional property owners who may be eligible for this property tax relief program.

Depending upon their qualifying income, taxpayers may be entitled to a 30- to 80-percent property tax reduction on their primary residence. If approved, the benefit would apply to the first \$100,000 of taxable market value of the residential property, which may include land up to five acres. In some cases, that reduction amounts to hundreds of dollars.

In addition to PTAP, Montanans may also be eligible for the Disabled American Veteran (DAV) and the Elderly Homeowner/Renter Tax Credit (2EC). All have an application or filing deadline of April 15, 2013.

DAV provides property tax assistance to qualifying veterans who are 100% disabled and to their surviving spouses. As with PTAP, taxpayers must own and occupy their home as their primary residence and meet the income requirements, which range from \$0 to \$47,865 for a single person, \$0 to \$55,229 for a married couple or \$0 to \$41,729 for a surviving spouse.

The 2EC is a refundable income tax credit of up to \$1,000. It is available to taxpayers based on household income, and is for anyone age 62 or older as of December 31, 2012. To qualify, an individual must have an income of less than \$45,000 and must reside in Montana for nine months or more of the period and occupy one or more dwellings in Montana as an owner, renter or lessee for six months or more.

"The tax relief programs are great, and we encourage Montanans to take advantage of them," says Department of Revenue Director Mike Kadas. "These important programs offset tax costs so that you can spend your money on other necessities for your family such as food, heating, clothing and medicine."

For applicable forms, taxpayers should contact their local Department of Revenue office. For additional questions, more information about qualifications or a listing of other important deadlines for property owners, please visit our website at www.revenue.mt.gov or phone our Call Center at 1-866-859-2254, or 444-6900 if calling from a Helena number.

Legislative update

During every legislative session, legislators propose bills that would have an impact on Montana's tax system. This regular section of Tax News You Can Use keeps you up-to-date on some of those bills currently making their way through the 2013 legislative session.

SB15 would allow the Department of Revenue to speak with either spouse about a married, filing-separate Montana return, no matter which spouse's information the discussion involves. Under current law, the department cannot discuss with one spouse the information that pertains to the other spouse on a filing-separate return, even though the information of both spouses appears on the same form. This bill would apply only to couples who use the same form, not those who file using separate forms.

Click [here](#) to read more about SB15.

Revenue Day at the Capitol

Join us in the Montana Capitol Rotunda in Helena for Revenue Day, a free public education event showcasing what the department and its public service partners do for Montanans. The event takes place on January 29, 2013, from 10 a.m. to 2 p.m.

A number of folks from Revenue and partnering agencies will be on hand with plenty of visual aids to talk about a range of tax-related issues, including:

- how Montana's tax dollars are collected, where they go and how that money improves our communities and our quality of life
- how easy it is to file online using Revenue's Taxpayers Access Point (TAP)
- what tax relief you might be entitled to
- what tax assistance programs are available to seniors who own property or rent
- how Revenue and its partners administers liquor licensing, provide liquor-related education and help provide for public health and safety
- how one might go about claiming missing cash or property under the unclaimed property program

For more information about Revenue Day, contact Sandy Lang at (406) 444-4014 or at slang@mt.gov.

Vendor update

Every year tax software vendors, such as Turbo Tax, seek approval to participate in the Montana federal/state electronic filing program. The software of each vendor is currently being tested to ensure that it's compatible with the Montana Department of Revenue's electronic filing system. You can find the latest approval status of each product [here](#).

Please note the new "INFO" button, which gives you a summary of approved vendors.

The department updates this page every Friday showing vendor approval status. For more information, email dore-services@mt.gov.

Target tax dates

- Tax forms have been posted on our website.
- Fourth quarter wholesale electrical generation tax is due on January 30.
- Fourth quarter consumer counsel fee is due on January 30.
- Fourth quarter public service commission regulation fee is due on January 30.
- Fourth quarter lodging facility tax is due on January 31.
- Fourth quarter 911 emergency telephone service fee is due on January 31.
- Fourth quarter nursing facility utilization fee is due on January 31.
- The annual hospital facility utilization fee is due on January 31.
- Fourth quarter intermediate care facility utilization fee is due on January 31.
- Fourth quarter rental vehicle sales tax is due on January 31.
- Fourth quarter telecommunications relay service fee (TDD) is due on January 31.
- The deadline for completing and returning a livestock reporting form is February 15.
- The deadline for reporting business equipment is February 15.
- The deadline for associations and organizations to apply for a property tax exemption is March 1.
- Fourth quarter retail telecommunications excise tax is due on March 1.
- The deadline for real property and mobile home owners to apply for the Property Tax Assistance Program is April 15.

Contact us

Visit us online at revenue.mt.gov or call us toll-free at (866) 859-2254 (in Helena, 444-6900).

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Montana Tax News You Can Use is published weekly during tax season and is for anyone who helps people file taxes and meet their tax responsibility. It keeps you posted on what's happening at the department, lets you know about new ways of preparing and filing taxes and brings you up-to-date on some of the issues and trends popping up during tax season in Montana. To subscribe, please visit www.revenue.mt.gov and click on "sign me up."

We welcome your suggestions and ideas for articles, as well as your questions and comments. Please send them to DORWritingProject@mt.gov.