



## Montana Tax News You Can Use

### Reminder from the Call Center: File withholding reports and statements online

The Call Center often receives calls from tax preparers wondering if they can file withholding reports and statements online.

Yes, you can file Forms MW-3 and RW-3 on Taxpayer Access Point (TAP) and you can file Forms W2 and 1099 through the state's secure ePass file transfer service. However, at this point, the only way to file the MW-3 along with the W-2 and 1099 is by paper.

Here are some tips for filing on TAP:

- If you file Form MW-3 on TAP your payment information is prepopulated for you. You can edit the payment information to match your records before submitting electronically.
- After you file Form MW-3 on TAP, you can access ePass by clicking on the link provided on the confirmation page in TAP.

Please keep in mind that February 28 is the deadline for filing W-2s, 1099s, MW-3s and RW-3s. Annual MW-3 statements postmarked after February 28 are subject to a late filing penalty of \$5 per W-2 (minimum \$50). Annual RW-3 statements postmarked after February 28 are subject to a late filing penalty of \$50 per 1099-MISC (minimum \$1,000).

Also keep in mind that Montana does NOT follow the federal extension deadline for e-filing withholding documents.

### Department of Revenue no longer sending non-payer notification letter

Beginning with tax year 2013, the Montana Department of Revenue will stop sending the wage withholding non-payer letter for monthly and accelerated remitters. We've determined that this letter has, at times, been more of a burden for preparers than an effective tool. Taxpayers will continue to receive non-filer letters for the MW-3 if it is not filed. We encourage all taxpayers to reconcile their Montana taxes at the same time as their federal even though they are not required to file a quarterly reconciliation with the state.

Please keep in mind that, in the future, taxpayers may not realize they've missed a payment until they've completed a year-end reconciliation or until they've received a statement of account from the department reflecting the missed period. We've noticed that taxpayers are most likely to forget payments for the first three months of the year.

If you need to contact the department concerning your client's payments, please be aware that a Power of Attorney (POA) form should be on file. Form POA is available on our website [here](#).

## Tax-exempt? Make sure your entity is registered

If you represent a tax-exempt group or organization in Montana or prepare taxes for one, please be sure to register that entity with the Department of Revenue. The group or organization may not qualify for tax-exempt status for state purposes if you or your client doesn't register. Corporations can request tax-exempt status in Montana by filling out [Form EXPT](#).

For more information on how to register your client's group or organization as tax-exempt, contact our Call Center at 1-866-859-2254 (toll free) Monday through Friday, 8 a.m. to 5 p.m. If you're calling from a Helena number or a Helena-based cell phone, please dial 444-6900. You can also email us at [DORCustomerAssistance@mt.gov](mailto:DORCustomerAssistance@mt.gov).

## Montana Department of Revenue and Idaho State Tax Commission sign mutual aid agreement

What would the Department of Revenue do if a natural disaster struck Helena or if some other major event occurred that disrupted or even halted operations at the department? That's the question that prompted the mutual aid disaster agreement that the Montana Department of Revenue recently signed with the Idaho State Tax Commission, the first agreement of its kind in the U.S.

The agreement ensures the continuation of operations at either department should a disaster occur in either state. Whichever state experiences the disaster could send staff to the other state and the hosting state would provide a secure workspace and supplies allowing the visiting state to continue processing tax returns.

"This agreement is part of our commitment - that no matter the circumstances, we'll continue to serve Montana's taxpayers and help to keep the state operating as it should," says department Director Mike Kadas.

## Legislative update

*During every legislative session in Montana, legislators sponsor 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.*

Defeated on the House floor on Wednesday, **HB88** would have made officers of telecommunications companies liable for reporting and paying state telecommunications taxes the companies collect from its customers and hold in trusts. Under current law, should a telecommunications company fail to pay those taxes when it goes out of business, no one at the company can be held legally accountable. This bill would have changed that, allowing the Department of Revenue to try to collect the tax from company officers responsible for company finances. For more information about HB88, click [here](#).

To track the progress of any 2013 bill, click [here](#).

## New POA form for taxpayers

Did you know we have an updated Power of Attorney (POA) form that is now similar to the IRS form? You can access it [here](#).

As with the IRS, we no longer allow spouses to file a joint POA. Each spouse now has to complete his or her own form.

## Vendor update

Every year tax software vendors seek approval to participate in the Montana federal/state electronic filing program. You can view the current list of 2012 approved tax software products [here](#).

For more information, email [dore-services@mt.gov](mailto:dore-services@mt.gov).

## Target tax dates

- The deadline for returning a livestock reporting form is February 15.
- The deadline for reporting business equipment is February 15.
- The deadline for Montana W2s, 1099s, RW-3s and MW-3s is February 28.
- 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](http://revenue.mt.gov) or call us toll-free at (866) 859-2254 (in Helena, 444-6900).

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edited by [Ted Brewer](#)

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](http://www.revenue.mt.gov) and click on "sign me up."

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