

November 14, 2013



Montana Tax News You Can Use

An e-newsletter for tax preparers and those interested in the state's tax system

New forms for tax year 2013

Enrolled tribal members - We replaced Form IND (Tribal Member Certification) with Form ETM (Enrolled Tribal Member Exempt Income Certification/Return). As explained on the new form, tribal members no longer have to file Form 2 if all their income is exempt from Montana income tax. Form ETM now serves as their tax return.

North Dakota reciprocal agreement - We discontinued Form NR-1 (North Dakota Reciprocal Affidavit). Beginning with the 2013 tax year, North Dakota residents covered by the reciprocal agreement who want to obtain a refund of any Montana tax withheld will now simply file a Montana Form 2. We replaced Form NR-2 (Employee Certificate of North Dakota Residence) with MT-R (Reciprocity Exemption from Withholding) as the form employees submit to their employer to be exempt from Montana under the withholding agreement.

Click [here](#) for Forms ETM and MT-R.

File your 2013 Forms PT-STM and PT-AGR

If you prepare Montana returns for pass-through entities, you can now file Forms PT-STM and PT-AGR for tax year 2013 and subsequent years. You don't have to wait until January.

You can file Forms PT-STM and PT-AGR on paper until we reprogram Taxpayer Access Point (TAP) for the upcoming tax season. After TAP is reprogrammed, you will be able to file these forms electronically. The paper forms are currently available on our [website](#) or by contacting the department.

Form PT-STM is an application for a waiver of the requirement to withhold taxes on behalf of owners who are other pass-through entities. Form PT-AGR is an agreement by a nonresident or foreign C corporation owner to remain compliant with

his or her Montana tax filing and payment obligations. Please refer to the forms for more information.

MW-3 and RW-3s arriving soon

We will mail the Montana wage and mineral royalty withholding forms (MW-3 and RW-3s) the first week in December. This is the earliest we've ever mailed the forms. We encourage electronic filing using [Taxpayer Access Point \(TAP\)](#). TAP pre-populates the MW-3 and RW-3 forms based upon payments processed throughout the year. Electronic filing on TAP will be available on November 30. We look forward to receiving returns as early as possible.

New laws to keep in mind

The 2013 Legislative Session passed a number of new laws that tax preparers should keep in mind as we head into the upcoming tax season. Here are three of them:

[SB 15](#) directs the department to treat a married couple who files separate returns on the same form as if they had filed a joint return. No longer does the department need explicit consent from one spouse to discuss the other's spouse information when they file separately on the same form. Though the law went into effect on October 1, it applies retroactively to tax years that began after December 31, 2012.

[SB 108](#) extends the sunset date for the charitable endowment tax credit to December 31, 2019, and, as of April 26, 2013, changed how Montana defines "permanent, irrevocable fund." The state now defines the fund as one managed in accordance with Uniform Prudent Management of Institutional Funds Act. The law also requires that, to be eligible for the credit, charitable gift annuity arrangements pay an annuity rate of at least 5%.

[SB 117](#) expands the deduction for a family education savings account to include deposits to other state's college savings programs. The law applies retroactively to tax years beginning after December 31, 2012.

DOR to give report to Revenue & Transportation Interim Committee

The Department of Revenue will give its regular report at the next meeting of the Revenue & Transportation Interim Committee on December 4 and 5. The materials and agenda for the RTIC meeting, which will include an update from the Office of Taxpayer Assistance and a presentation regarding department efficiencies, will be available online [here](#) before the meeting. The committee meeting will take place in room 137 of the State Capitol and will be broadcast over streaming video. Click [here](#) for more information.

Director Kadas to speak at taxpayer association annual meeting

Montana Department of Revenue Director Mike Kadas will speak at this year's annual meeting of the Montana Taxpayers Association on Thursday, December 5 at the Great Northern Hotel in Helena. He'll discuss SJ 23, the interim legislative study resolution on the tax appeal process. He'll also cover property reappraisal, mitigation, corporate tax and exemptions, the new SB 96 business equipment tax exemption, department priorities, and recent settlements and court decisions. Click [here](#) for more information.


Tax Facts

For 2013, as of November 8...

- Total number of individual income tax returns we've processed: 544,335
- Number of individual tax returns we've received electronically: 444,243
- Number of business returns we've received electronically: 40,143
- Number of individual income tax refunds we've issued: 398,848
- Average amount of refunds: \$457.07
- Average number of days in which taxpayers have received a refund after filing an electronic return: 6
- Average number of days in which taxpayers have received a refund after filing a paper return: 31

Contact us

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

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Montana Tax News You Can Use is published weekly during tax season and periodically at other times. It is for anyone who helps people file taxes and meet their tax responsibility and for anyone simply interested in the state's tax system. 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."

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