

February 20, 2014



Montana Tax News You Can Use

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

E-filing W-2s and 1099s

The deadline for filing W-2s and 1099s is fast approaching. They are due on February 28. If you haven't already switched over to e-filing W-2s and 1099s, now is an excellent time. E-filing has never been so safe, easy and convenient. Here are the steps for doing so.

First, format the file. You can use most payroll software, such as QuickBooks, to create W-2 or 1099 files. You can use [AccuWage](#) to validate your record layout before submitting to the department. Here are a few other things to keep in mind:

- You need to format W-2s according to [EFW2 format specifications](#) and include [Montana's RS record specifications](#) (under Wage Withholding).
- You need to format 1099s according to [IRS Publication 1220](#).
- We do not accept PDF, JPEG, Word, Excel or other image files.

Next, send the file. Here are the steps for doing so.

1. Log in to ePass Montana at <https://app.mt.gov/epass>.
2. Select **File Transfer Service**.
3. Select **Send a new file or files**.
4. Select **Browse** to upload the file.
5. Select **+Add To File List** and select **Continue**.
6. Select the appropriate link based on which file you are sending--either **W-2 forms to the Department of Revenue** or **1099 forms to Department of Revenue**.

The file is now in transit. File Transfer Service (FTS) will identify the steps your file is going through, including Processing,

Scanning for Viruses, Encrypting, Sending and Complete.

If your email address is included in the file, the FTS system will confirm your file submission was successful or whether errors exist and the file submission was not successful.

Montana energy tax credit

Did your clients make an investment in their home or other buildings last year to conserve energy? They may be able to claim a Montana income tax credit equal to 25% of qualifying expenses and up to a maximum credit of \$500 per taxpayer. For more information about this tax credit, visit the Montana Department of Revenue [website](#).

Call center getting busy

The department's call center is now in its busiest of seasons. Our phone lines are busiest on Mondays and Tuesdays, so you can expect shorter wait times on Wednesdays, Thursdays and Fridays.

Please keep in mind that there are alternatives to help your clients find answers to commonly asked tax questions. For example, to check on the status of their refund they can go to [Taxpayer Access Point](#) and select *Where's My Refund?* Your clients will need their Social Security number and the amount of their refund on the 2013 tax return. They can find their refunds on:

- Line 74 of Form 2
- Line 65 of Form 2M
- Line 21 of Form 2EZ
- Line 13 of Form 2EC

Third-party preparer tutorials on TAP

[Taxpayer Access Point](#) (TAP) is an online service that allows individuals and businesses to access their tax accounts online. You can establish third-party relationships to help your clients manage their tax accounts. There are [two tutorials available on TAP](#) to assist with completing this process. The first tutorial, "Preparer 3rd Party Access," walks you through the steps required to set up a preparer account. The second tutorial, "Taxpayer 3rd Party Authorization," helps your clients complete the authorization process.

Approved tax software for 2013

Every year tax software vendors seek approval to participate in the Montana federal/state electronic filing program. We test the software of each vendor to ensure that it's compatible with our electronic filing system. You can find the latest approval status of each product [here](#).

For more information, email dore-services@mt.gov.

Target tax dates

February 28: The filing deadline for all MW3s, RW3s, W2s and 1099s.

March 1: The deadline for...

- completing and returning a livestock reporting form
- reporting class-8 business equipment
- associations and organizations to apply for property tax exemption
- filing retail telecommunications excise tax returns

Tax facts

For 2014, as of February 14...

- Total number of individual income tax returns we've processed: 109,284
- Number of individual tax returns we've received electronically: 105,657
- Number of business returns we've received electronically: 2,816
- Number of individual income tax refunds we've issued: 92,593
- Average amount of refunds: \$383.58
- Average number of days in which taxpayers have received a refund after filing an electronic return: 3
- Average number of days in which taxpayers have received a refund after filing a paper return: 22

Contact us

Visit us online at revenue.mt.gov, email us at DORCustomerAssistance@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 the [newsroom](#) page on our website and click on the "Tax News You Can Use" tab.

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