

February 27, 2014



## Montana Tax News You Can Use

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

### Form ETM and Taxpayer Access Point filing

The Department of Revenue 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 of their income is exempt from Montana income tax. Form ETM now serves as their tax return. For more information, see [Form ETM](#).

Additionally, Form ETM is available for electronic filing through [Taxpayer Access Point \(TAP\)](#) under "Individual - File a Return."

### Missing a W-2? What your clients can do

If one of your clients did not receive or misplaced a W-2, that person can either:

1. Ask his or her employer to reissue the W-2
2. Complete [Form RTI, Request for Copies of Tax Information](#), and submit it to the department. You can complete this form on your client's behalf as long as you have [Power of Attorney](#).

Your client's return still needs to be filed timely even if that person has not received a W-2. If you need to file your client's return without the W-2 and you are filing on paper, you will need to include a completed copy of federal [Form 4852](#).

Substitute for Form W-2, with your client's Montana individual income tax return. If filing electronically, you should retain Form 4852 for your client's records. If your client receives a W-2 or W-2C after you file the return using Form 4852 and the information differs, your client's return will need to be amended.

## DOR fighting tax fraud

The nationwide increase in identify theft has led to a jump in fraudulent tax returns, making tax fraud one of the fastest growing crimes in the country. These fraudulently filed refund requests contain fictitious and stolen identity information.

The Department of Revenue has seen a dramatic increase in the number of fraudulent returns in the last couple of years. So far this tax season, we have intercepted 39 fraudulent returns and stopped \$80,000 from getting into the hands of fraudsters. In tax year 2012, the department discovered 979 fraudulent returns and prevented \$783,000 in fraudulent refunds. That number took a big jump over tax year 2011, when we intercepted 142 fraudulent returns and prevented \$227,000 in fraudulent refunds.

Your clients can reduce their chances of having their identities used in tax fraud by filing their taxes as early in the tax season as possible. This leaves less time for fraudsters to commit the crime with your clients' information, and your clients will get their refunds before the criminals have a chance to claim them.

## 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](mailto: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
- filing Form PT-STM, Second Tier Pass-through Entity Owner Statement, for tax year 2013


### Tax facts

For 2014, as of February 21...

- Total number of individual income tax returns we've processed: 142,615
- Number of individual tax returns we've received electronically: 137,430
- Number of business returns we've received electronically: 4,348
- Number of individual income tax refunds we've issued: 123,019
- Average amount of refunds: \$387.64
- Average number of days in which taxpayers have received a refund after filing an electronic return: 3.25
- Average number of days in which taxpayers have received a refund after filing a paper return: 17.5

### Contact us

Visit us online at [revenue.mt.gov](http://revenue.mt.gov), email us at [DORCustomerAssistance@mt.gov](mailto: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](mailto:DORWritingProject@mt.gov).