

March 27, 2014



Montana Tax News You Can Use

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

Corporation income tax non-filer project

The department is currently conducting a corporation income tax non-filer compliance project. The project involves corporations that have registered with the Secretary of State to do business in Montana but have not filed tax returns for one or more tax periods. We would greatly appreciate your assistance with this project. If, for example, you have a client with an inactive C corporation, please let your client know that the corporation still has filing requirements, as set forth in ARM 42.23.312:

- Foreign corporations qualified to do business in Montana and all domestic corporations are required to file annual returns, even if they did not engage in business in Montana during the reporting period. In such cases, the return must bear the name and address of the corporation and include a statement on the face of the return that the corporation did not do business in Montana during the reporting period. No tax is assessable against a corporation that did not engage in business during the reporting period.
- A dormant corporation can obtain relief from the filing requirement by executing and filing an [affidavit](#) provided by the department.

If the department does not receive a response from the taxpayer within the required time frame, we will estimate and assess tax, interest and penalty for the delinquent tax periods. Please contact Theresa Olson at tolson@mt.gov or 444-0535 with any questions.

Filing a composite election on Partnership and S Corporation returns

Unfortunately, we are not receiving consistent data for the composite election on Schedule III of e-filed partnership and S corporation returns. As a result, some filers received pass-through withholding assessments because we were unaware that the owners were included on a composite return.

We are working to address this issue, but have so far been unable to determine why the data is inconsistent.

If a taxpayer receives a withholding assessment for an owner that is included on a composite return, please contact Heather Gurnsey, Income Tax Specialist, at hgurnsey@mt.gov or (406) 444-3942. We apologize for any inconvenience and want to thank the preparers who took the time to bring this problem to our attention. We encourage preparers and taxpayers who encounter these kinds of problems to contact us.

Licensing your business online using eStop

Some of your clients may be interested to know that Montana business owners and operators are now able to do their one-stop business licensing [online](#). Along with the online improvement, we have changed the name from One-Stop Business Licensing to [eStop Business Licenses](#).

Here are a few good reasons why your clients may want to take advantage of our *new* electronic service:

- You can renew and pay your licenses online with an echeck or credit card for free.
- You can view the history and details of your business and location.
- You can print your license.
- You can easily notify us of changes to your business or locations, including new mailing address, new business structure, new physical location, closed business locations and so on.

When businesses receive their license renewal notice this year, they will get a passcode and instructions for signing up for eStop. They should then go online to estop.mt.gov and follow the instructions. Your clients can also email our Customer Service Center at DORestop@mt.gov or call toll free at 1(866) 859-2254 or in Helena at 444-6900.

The eStop program is a service provided by the Montana Departments of Revenue, Environmental Quality, Labor and Industry, Public Health and Human Services, and Agriculture.

Department of Revenue convenes local government advisory council

In an effort to enhance the working relationship that the Montana Department of Revenue has with local government officials, Revenue Department Director Mike Kadas has convened the Local Government Advisory Council. The group's initial meeting will be Monday, April 7, 2014, from 10 a.m. to 3 p.m. at the Mitchell Building, 125 North Roberts, in Helena.

The Advisory Council will provide recommendations to Director Kadas and the Department of Revenue for how the department can better serve Montana's communities. Issues the council may tackle include departmental communications with local governments, shared revenue sources, annual certification of taxable values, newly taxable property, etc. The Advisory Council consists of 11 people recommended by Director Kadas and appointed by Governor Bullock. They all have proven expertise over issues regarding governance, taxation, finance and budgets in local governments, schools, and tribes.

For more information, visit the [committees page](#) on our website and click on "Local Government Advisory Council." Click [here](#) to receive notifications from the Advisory Council.

Do you have suggestions for our income tax forms?

We strive to provide tax forms that are easy to complete and easily understood by everyone who uses them. We're now beginning the process of reviewing and updating the Montana tax forms for the next tax year, as we do every year around this time. As a preparer, you use many of these forms on a daily basis and see many different situations play out on them. For that reason, we would like to hear, and would value, any comments or suggestions you have regarding our tax forms. Please feel free to email those comments or suggestions to Justin Ahlers, Income Tax Specialist, at jahlers@mt.gov.

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

April 15: The deadline for...

- Submitting an application for the Property Tax Assistance Program
- Filing individual state income tax returns
- Filing estate and trust income tax returns (Form FID-3)
- Filing partnership returns (Form PR-1)
- Filing disregarded entity returns (Form DER-1) for entities owned by partnerships

Tax facts

For 2014, as of March 21...

- Total number of individual income tax returns we've processed: 259,331
- Number of individual tax returns we've received electronically: 243,422
- Number of business returns we've received electronically: 17,283
- Number of individual income tax refunds we've issued: 215,117
- Average amount of refunds: \$406
- Average number of days in which taxpayers have received a refund after filing an electronic return: 3.5
- Average number of days in which taxpayers have received a refund after filing a paper return: 21
- Number of fraudulent tax returns we've intercepted: 151
- Amount in fraudulent refunds we've prevented: \$244,105

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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edited by [Ted Brewer](#)

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.