



Montana Tax News You Can Use

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

Pass-Through Entity Delinquency Letters

The department recently mailed delinquency letters to S corporations and partnerships.

We send delinquency notices to entities that previously filed a tax return or have an open account. We automatically set up accounts for businesses that register with the Secretary of State but do not respond to the department's Welcome Letter, which is a request for information that we mail to each entity upon receiving notification of their business registration.

The delinquency notice project helps the department keep taxpayer accounts up-to-date. The letters serve as a reminder for entities that may have forgotten to file and informs other entities that we didn't receive their returns. The department appreciates the time taxpayers and their representatives take to respond to these letters. Responding helps us not only ensure compliance, but also allows us to clean up unnecessary accounts and identify any system errors. **Taxpayers who do not respond to these notices may be subject to estimation.**

For entities that do not have any Montana activity for the tax year in question, the best response, administratively, is to file a tax return signed by the taxpayer that shows no Montana activity. In the case of S corporations, we also accept [Form INA-CT](#), the Affidavit of Inactivity. Alternatively, an entity should file a Final Return to close their account with the department if they are withdrawing with the Secretary of State or do not anticipate any future Montana activity.

Deadlines for Form MT-R, Reciprocity Exemption from Withholding for North Dakota Residents

North Dakota residents currently working in Montana can claim an exemption from Montana withholding under the Montana-North Dakota Reciprocity Agreement. Individuals who have been working in Montana who want to continue to be exempt from withholding for 2015 must:

- Complete Form [MT-R](#)
- Make a copy for their records
- Submit the original to their employer **by February 28.**

The employer will keep another copy for their records and submit all originals to the department by March 31.

New employees may claim an exemption by submitting a completed form to their employer within 30 days of starting employment. The employer will submit the form to the department within 30 days of receiving it.

Deadline Approaches for Form PT-STM

[Form PT-STM](#) is an application for a waiver of the pass-through withholding requirement that pass-through entities must consider if they have a second-tier pass-through entity owner. The deadline for Form PT-STM is 45 days before the original due date of the pass-through entity's return. **For most filers, the deadline for tax year 2014 is March 1, 2015.**

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

If one of your clients did not receive or misplaced a W-2, that person has two options:

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 on time 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, 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, 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.

Approved Tax Software for Tax Year 2014

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 it is compatible with our electronic filing system. You can find the latest approval status of each software product and the forms they support [here](#).

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

Target Tax Dates

February 28: The filing deadline for all MW-3s, RW-3s, W-2s, and 1099s.

March 1 is the deadline for:

- completing and returning a livestock reporting form
 - Go online to ReportYourLivestock.mt.gov
- reporting class eight business equipment
 - Go online to <https://tap.dor.mt.gov/>
- 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 2014

Tax Facts

For 2015, as of February 13:

- Total number of individual income tax returns we've processed: 108,760
- Number of individual tax returns we've received electronically: 106,678
- Number of individual income tax refunds we've issued: 75,333
- Average amount of refunds: \$395.27
- Number of fraudulent returns we've intercepted: 225
- Amount of fraudulent returns we've prevented: \$174,457

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 (406) 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, 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.



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