

Montana Tax News You Can Use

Montana Department of Revenue

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

Filing Deadline for Form MW-3: Feb. 29

The due date for filing the Montana Annual Withholding Tax Reconciliation form (MW-3) is Monday, February 29. Normally the deadline is February 28; however, since the 28th lands on a Sunday this year, the due date is extended one day.

On or before February 29, you are required to file the following with the department:

- Montana Annual Withholding Tax Reconciliation form (MW-3) supporting the withholding reported on the W-2 and 1099 forms
- Wage and Tax statement (W-2) for each employee to whom Montana wages were paid, with or without withholding
- 1099s with Montana state withholding - must be filed with the MW-3
- 1099s without Montana state withholding - must be filed with a federal Form 1096

There are two ways to file the MW-3 online through [Taxpayer Access Point \(TAP\)](#):

- Single entry - All of the business's payment information will prepopulate on the MW-3.
- File upload - Payroll service providers or third party preparers can submit files on behalf of clients, using department approved software.

Property Tax Relief and Reporting Deadlines for Property Owners

We'd like to remind owners of real and personal property and livestock about important deadlines approaching soon.

March 1 deadlines:

- Livestock owners must complete and return a **livestock reporting form** to the department either online at ReportYourLivestock.mt.gov or in the mail.
- For **nonprofit, religious, or charitable organizations** to be considered for property tax exemption for 2016.
- Reporting **class eight business equipment**, which can be done online through Taxpayer Access Point (TAP) at <https://tap.dor.mt.gov/> or by paper form.

April 15 deadlines:

- The **Property Tax Assistance Program (PTAP)** provides property tax relief to anyone who meets the ownership, occupancy, and income qualifications and there is no age restriction.
- The **Montana Disabled Veteran (MDV)** exemption provides property tax assistance to qualifying 100% disabled veterans and their surviving spouses.
- The **Elderly Homeowner/Renter Tax Credit (2EC)** is a refundable income tax credit of up to \$1,000 available to taxpayers based on household income and is for anyone age 62 or older as of December 31, 2015.

In addition, if taxpayers made 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 percent of the qualifying expenses and up to a maximum credit of \$500 per taxpayer. For more information about this credit, go online to revenue.mt.gov/home/individuals/taxrelief_energy.

For additional details about these deadlines, property tax relief programs, and credits, see the Property Exemptions section online at <http://revenue.mt.gov/exemptions>.

For applications and forms, go online to revenue.mt.gov/property-forms or contact your [local Department of Revenue office](#). **For questions and more information about qualifications**, visit revenue.mt.gov/property-assessment or phone the department's call center at 1-866-859-2254, or 444-6900 if calling in Helena.

Tax Exempt Property Owners Must Reapply for Property Tax Exemption by March 1

Nonprofit organizations and other tax exempt property owners need to reapply for property tax exemption. Owners of tax exempt real property in exempt status before 2014 are required to submit an application to the Department of Revenue by March 1.

About 10,000 tax exempt properties in Montana are affected. The reapplication requirement includes property owned by most nonprofit organizations, private schools and colleges, churches, parsonages, low income housing, veterans' clubhouses, community service and fraternal organizations, cemeteries, and land leased from a railroad by a nonprofit organization.

The Department of Revenue mailed letters and applications the first week of December to organizations with tax exempt properties in the state system. You can also download and print the application, form AB-30R, from our website at revenue.mt.gov/home/forms under Property Tax > Exemption Forms.

This change is the result of a new law from the 2015 Legislature.

Where's My Refund? FAQs

The Department of Revenue posted a new webpage this week to answer frequently asked questions about refunds. The FAQs will help save taxpayers a call, and offer tips before they use the Where's My Refund service in [Taxpayer Access Point \(TAP\)](#).

The new FAQs page is available at: http://revenue.mt.gov/online_services/wheres-my-refund

Refunds and Identity Verification

The Montana Department of Revenue is actively working to prevent someone from stealing taxpayers' identities and tax refunds. Due to the nationwide increase in filing of false returns, we implemented additional security measures to protect taxpayers from this type of identity fraud. One measure involves mailing an identity verification letter that asks the taxpayer to go online and verify that they or their preparer filed a 2015 Montana individual income tax return.

The letter, which includes a tax verification code, asks the taxpayer to go to our website and complete the necessary steps before we can release the refund. If a taxpayer doesn't have internet access, we can help the taxpayer with other options for submitting documentation to us to confirm their identity.

We appreciate your cooperation and patience as we attempt to reduce fraudulent tax return filings. We are concerned about the delay taxpayers are experiencing before receiving their refunds and are working hard to get the refunds paid as quickly as possible, while also doing everything we can to protect identities and refunds.

Commercial Property Owners Receiving Income and Expense (I&E) Reporting Letter

This week, the Montana Department of Revenue mailed letters to owners of commercial property requesting the rental income and expense (I&E) information associated with the operation of each of their properties for tax years 2014 and 2015. We will use the I&E data to assist in determining fair and equitable values for commercial properties for the 2017 reappraisal. We hold all collected information as confidential.

The letters direct recipients to the department's web page <http://revenue.mt.gov/property-forms> where the property owner can select downloadable forms used for collecting I&E information for various types of properties (apartments, mini-warehouse, offices, etc.). We use the collected information, along with information from similar properties, to develop typical rent ranges, expense percentages, and capitalization rates that will be used for income models.

Approved Tax Software for Tax Year 2015

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 on the department's website under [Online Services > Tax Software](#). For more information, email DORe-services@mt.gov.

Tax Facts

For 2016, as of February 12:

- Total number of individual income tax returns we've processed: 106,475
- Number of individual tax returns we've received electronically: 105,128
- Number of individual income tax refunds we've issued: 58,695
- Average amount of refunds: \$373

Contact Us

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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 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.

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

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