

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.

Extensions on a Montana Individual Income Tax Return

To qualify for an automatic, six-month extension to file a Montana individual income tax return, taxpayers need to, by April 18, have paid either (1) 90% of their current year Montana income tax liability, or (2) 100% of their prior year Montana income tax liability. Taxpayers also qualify for an extension if their 2015 tax liability is \$200 or less.

To ensure they have met the requirements listed above and to see if they need to make an extension payment, taxpayers should review and complete [Montana Form EXT-15](#), Extension Payment Worksheet. If an extension payment is necessary, they can pay it online by going to revenue.mt.gov and clicking [Online Services](#) or with a check by using the tax payment voucher from the bottom of [Form EXT-15](#).

Please remember that filing a federal request for an extension of an individual income tax return does not have any bearing on receiving a Montana extension.

A valid Montana extension gives taxpayers until October 17, 2016, to file. Unless taxpayers qualify for the extension because their tax liability is \$200 or less, an extension of time to file is not an extension of time to pay. Late pay penalties and interest accrue from the original due date until the tax liability is paid in full.

Filing Extensions for Partnership Returns

An approved extension to file a federal partnership return automatically extends the time to file a Montana partnership return (Form PR-1) to the same date approved for filing the federal return. If the Montana return is an extension, make sure to mark the extension box on page 2 of the return. Include a copy of the federal Form 7004 if you are filing a paper partnership return.

The department does not require that preparers notify the department before the completed return is filed. If the extension check box on page 2 is marked on the completed return, then the required notice has been provided to the department.

Extended Call Center Hours

The Montana Department of Revenue call center is offering extended hours again this tax season to assist taxpayers during the days before the April 18 deadline for filing income tax returns.

The call center will be available during regular business hours, 8 a.m. to 5 p.m. Monday through Wednesday, April 11-13. Extended hours begin 7 a.m. to 7 p.m. on Thursday and Friday, April 14-15; 10 a.m. to 2 p.m. Saturday, April 16; and 7 a.m. to 8 p.m. on Monday, April 18.

Taxpayers who need assistance can call the department's call center toll free at 1-866-859-2254, or in Helena at 444-6900. Taxpayers can also send an email to DORCustomerAssistance@mt.gov for tax assistance.

Mobile Home Classification and Appraisal Notices Mailed

The Department of Revenue mailed mobile home classification and appraisal notices on April 1.

The purpose of the notice is to inform taxpayers of the market and taxable value of their property for property tax purposes. Taxpayers have 30 days from the date on the notice to dispute their property valuation or classification for the current tax year. Taxpayers have the right to request an informal assessment review and/or file a formal appeal at the county and state level at any time, but only once each appraisal cycle.

The state of Montana has a two-year appraisal cycle for residential, commercial, and agricultural property (2015-2016). In 2015, we mailed notices to all property owners or purchasers under contract for deed. For 2016, the second year of the appraisal cycle, Montana law states that the department will mail a classification and appraisal notice to each property owner or purchaser under contract for deed only if there has been a change in ownership, classification, valuation, or the addition or subtraction of personal property affixed to the land since the last notice was sent.

E-File MT Disregarded Entity Return

Did you know you can electronically file a Montana disregarded entity return?

Effective for the 2015 tax year, you can file the Montana Disregarded Entity tax form (DER-1) electronically on Montana [Taxpayer Access Point \(TAP\)](#). You can also electronically pay tax if needed. Visit our website under [Online Services](#) for more information.

Form DER-1 is due by the due date of the owner's return, including extensions.

Where's My Refund?

The Department of Revenue call center receives hundreds of calls and emails from taxpayers each day wondering, "Where's my refund?" Please let your clients know that we are taking extra care to ensure the returns we receive are valid. Because of the increasing number of identity thefts everywhere, this may cause a delay in receiving a refund. Taxpayers usually have their refund or have heard from us within two weeks if they filed electronically or within eight weeks if they filed on paper. We appreciate their patience.

Your clients can go to our website at revenue.mt.gov and click on the link for "[Where's My Refund?](#)" to get more information on the status of their refund. They will need their Social Security number and the amount of their 2015 state refund. The amount can be found on:

- Form 2, Line 74
- Form 2EZ, Line 21
- Form 2EC, Line 13

POA Form on TAP

Did you know the Montana Power of Attorney (POA) form can be submitted electronically on Taxpayer Access Point (TAP)? It is simple to do and ensures that we can discuss your clients' tax matters with you. Keep in mind, each individual taxpayer has to complete a separate POA form. A POA is valid for the dates allowed by the taxpayer and can cover a timespan beyond the expiration of the checkbox on each year's tax return. Plus, a POA allows the taxpayer to expand the authorization regarding the amount of information that can be shared.

Go to [TAP](#) and choose Add Power of Attorney in the left menu bar.

Reminder: Bank Routing Number Changes

Banks merging cause bank routing numbers to change. If you are paying electronically, or if you are requesting a direct deposit of your refund, it's a good idea to confirm the accuracy of your routing number and account number with your financial institution. Also be sure to update any banking information you may have saved online to submit tax payments to the department.

Target Tax Dates

April 15 is the application deadline for the [Property Tax Assistance \(PTAP\)](#) and [Montana Disabled Veterans \(MDV\)](#) programs.

April 18 is the deadline for filing:

- Individual state income tax returns
 - **e-File:** [Online Services](#)
- Estate and trust income tax returns ([Form FID-3](#))
 - **e-File:** [Tax & Payroll Software](#)
- Partnership returns ([Form PR-1](#))
 - **e-File:** [Tax & Payroll Software](#)
- Disregarded entity returns ([Form DER-1](#)) for entities owned by partnerships
 - **e-File:** [Taxpayer Access Point \(TAP\)](#)

Tax Fraud & Scam Reminder

Tax season hasn't ended yet, and neither have scam and fraud attempts.

We'd like to ask preparers and taxpayers to remain vigilant about protecting personal information and tax documents, whether they're online or on paper.

Tips:

- File tax returns as early in the season as possible.
- Change your passwords and logins frequently.
- Safeguard personal information like Social Security Numbers, W-2s, and banking account and routing numbers.
- Don't believe callers who claim to be from the IRS or Montana Department of Revenue and demand immediate payment of taxes or debt. The IRS and DOR will almost always contact you by letter first, and will not use scare tactics and intimidation to collect money.
 - If you receive a call from someone claiming to be with the Montana Department of Revenue, you can verify the caller's identity by visiting our website at <http://pubdir.mt.gov/> or by calling our customer service center at 1-866-859-2254 (in Helena, 444-6900).
 - Report these calls to the Montana Department of Justice Office of Consumer Protection at (406) 444-4500.

Visit our [fraud prevention webpage](#) for more information.

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 & Payroll Software](#).

Be sure to change the settings in your tax software to accept automatic updates so that you're always using the most recent version.

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

Tax Facts

For 2016, as of April 1:

- Total number of individual income tax returns we've processed: 321,279
- Number of individual tax returns we've received electronically: 305,667
- Number of individual income tax refunds we've issued: 261,350
- Average amount of refunds: \$415

- Average days for e-filed refund: 2016 = 6.2 days; 2015 = 5.2 days
- Average days for paper-filed refund: 2016 = 20 days; 2015 = 20 days

- Number of fraudulent tax returns we've intercepted: 254
- Amount of fraudulent refunds we've prevented: \$312,675

Administrative Rule Activity

Go to revenue.mt.gov/rules for information about the department's current rulemaking activity, public hearing dates, and to sign up to receive future notices by email.

Contact MT DOR

Web: Revenue.mt.gov
Email: DORCustomerAssistance@mt.gov
Toll Free: 1-866-859-2254
Helena: (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 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.

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