

# Montana Tax News You Can Use

Montana Department of Revenue

May 5, 2016

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

## Filing Taxes After April 18

April 18 has come and gone, and you may have returns you were not able to file by the original due date. While it's too late to qualify for a filing extension, you may be able to help reduce the penalties and interest your client owes.

Consider completing the [2015 Extension Payment Worksheet \(EXT-15\)](#). It's too late to make a payment that would qualify the client for an extension, but it could turn out that your client already paid enough before April 18 to meet the requirements.

Interest and late payment penalties accrue from the original due date until the tax is paid, regardless of when the return is filed and whether the individual qualified for a filing extension. Making a partial or tentative payment even before you file the return helps lower the amount of interest or penalty owed. Also, remember that individuals who pay all tax and interest due within 30 days of the first notice showing the unpaid amount can request a waiver of the late payment penalty. The Statement of Account (SOA) includes detailed information on requesting a waiver in this case. We mailed SOA letters this week (see related article in this issue).

## Assistance for Business Clinics (ABC) Schedule

**WHAT:** Assistance for Business Clinics (often called ABC clinics)

**WHY:** To assist new and established employers, accountants, and other professionals

**HOW:** By providing updates about state income tax withholding requirements, e-file applications that help businesses with their filing requirements, unemployment insurance tax requirements, workers compensation coverage, and other related subjects

**WHEN:**

- May 10 in Glasgow
- May 11 in Sidney
- May 12 in Miles City
- May 25 in Great Falls

For additional information, including the registration form and full 2016 schedule, visit [dli.mt.gov/resources/abc-clinics](http://dli.mt.gov/resources/abc-clinics).

## Statement of Account (SOA) Letters Mailed

The Department of Revenue is mailing the first individual income tax Statement of Account letters for the 2015 tax year this week. If you or your clients have any questions or concerns regarding the Statement of Account, please contact us. In some cases, a payment may not have been applied as expected if it was submitted without the appropriate information. Research can be done and corrections made if necessary on payments made for the 2015 tax year.

## 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 [revenue.mt.gov](http://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

## 2016 Individual Income Tax Tables Now Available

Beginning with the 2016 tax year, a change from the 2015 legislative session takes effect that will make tax planning easier in the future. The change moved the timing of the inflation adjustments so the amounts for a tax year will be known almost a full year earlier than in past years.

Since the numbers that apply to the 2016 tax year were already computed and put into law by House Bill 359, you can find the 2016 amounts on our website under "Forms" and by clicking on "Tax Rates Form for Individual Income Tax Rates by year: [2016 Form](#)" or by looking at the affected statutes in [Montana Code Annotated Title 15, chapter 30, parts 21 and 26](#).

## 2016 Livestock Per Capita Fees Due May 31

The Montana Department of Revenue mailed 2016 livestock per capita fee bills this week. Payment is due by May 31. Livestock owners can pay online at [ReportYourLivestock.mt.gov](http://ReportYourLivestock.mt.gov) or by mail with a check.

The 2015 Legislature changed the payment due date from November 30 to May 31 to reduce the time between livestock reporting and payment. March 1 was the deadline for livestock owners to report livestock they owned as of February 1.

If owners already paid their 2016 per capita fees when they reported their livestock, they will not receive a bill.

Per capita fees fund Department of Livestock programs that monitor animal health, monitor and restrict livestock imports, track animal movements, prevent and investigate livestock theft and manage predators.

For more information, visit [ReportYourLivestock.mt.gov](http://ReportYourLivestock.mt.gov) or call toll free 1-866-859-2254 (in Helena, 444-6900).

## Real Property Tax Exemption Postcards Mailed

The Department of Revenue's Property Assessment Division recently mailed acknowledgement postcards to the nonprofit organizations that submitted their applications for property tax exempt status. We also mailed reminder postcards to organizations that did not submit an application by the March 31 deadline.

We will begin reviewing applications soon and will mail determination letters once the reviews are complete.

Recent changes in law required all nonprofit tax exempt organizations to reapply to retain their property tax exempt status.

## Personal Property Classification and Appraisal Notices Mailed

The Department of Revenue mailed 31,000 personal property classification and appraisal notices to industrial and business owners on April 21. These are personal property records that are not associated with real property for assessment purposes.

The notice informs taxpayers of the market and taxable value of their business equipment for personal property tax purposes. Taxpayers have 30 days from the date on the notice to dispute their property valuation for the current tax year.

Personal property valuation is based on a **statewide aggregate value**; that is, the combined value of business equipment from all of a taxpayer's locations throughout the state. The first \$100,000 of taxable market value is exempt. Taxable market value of \$100,001 through \$6,000,000 is taxed at 1.5 percent and any portion of aggregated taxable market value greater than \$6,100,000 is taxed at three percent.

Real property classification and appraisal notices are scheduled to be mailed in late May to residential, commercial, and agricultural property owners or purchasers under contract for deed if there has been a change in ownership, classification, valuation, or the addition or subtraction of personal property affixed to the land since we sent the last classification and appraisal notice.

## Do You Have Suggestions for Our Income Tax Forms?

We continuously strive to provide tax forms that are easy to complete and are 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 with them. For that reason, we want to hear, and will value, any constructive comments or suggestions you have regarding our tax forms.

Please email your comments or suggestions to Tracee Abel, Income Tax Specialist, at [TAbel@mt.gov](mailto:TAbel@mt.gov).

## Search for Unclaimed Property

What is unclaimed property and where does it come from? It is cash from checks that have never been cashed or dormant bank accounts, intangible assets like stock and bonds, and tangible personal property like the contents of a safe deposit box. It comes to the Department of Revenue whenever the organization issuing or holding these assets cannot locate the owner. The organization, such as a bank, business, or employer, must turn the assets over to the state, who receives it as "unclaimed."

You can search for and submit a claim for your unclaimed property at [Taxpayer Access Point](#). Click on the link "Search for Unclaimed Cash," enter your name, and then click "Search." Depending on the amount or type of property being claimed, we may require some documents to verify your identity and that the property belongs to you. If you prefer, you may call 1-866-859-2254 to start a paper claim or email [UnclaimedProperty@mt.gov](mailto:UnclaimedProperty@mt.gov) for more information.

## Tax Credits for Qualified Education Contributions

The 2015 Legislature created two tax credits for qualified education contributions. The first credit provides supplemental funding to public schools for innovative educational programs. The Office of Public Instruction (OPI) administers this credit. Contributions are made to OPI. OPI then disburses the contributions to innovative educational programs.

The second credit provides for contributions to student scholarship organizations (SSOs). An SSO is a nonprofit organization designed to provide scholarships to private school students. The SSO must register with the Secretary of State and with the Department of Revenue before it can receive donations.

Contributors can donate any amount to either program, but the tax credit is limited to up to \$150 for each credit. For example: If you donate \$200, your tax credit can only be \$150. If you donate \$50, your tax credit is \$50. In addition, there is an overall limit of \$3 million for each credit. Contributors can still donate to the programs if the \$3 million mark is reached, but they will not receive a tax credit for the donation.

To donate, taxpayers should go to the website portal at <http://svc.mt.gov/dor/educationdonations>. Follow the prompts to register donations or pledges to either OPI or an SSO. Registering the pledge will make the donor eligible for the tax credit. The donor must donate the funds directly to the SSO or OPI. The donor can then claim the tax credit on their next income tax filing.

## Thanks From Mike Kadas, Montana Department of Revenue Director

I would like to thank all of you for the long hours you've put in this tax season to help people file their taxes correctly and on time. We understand that the last few weeks of tax season can be the most exhausting.

We hope our regular issues of *Montana Tax News You Can Use* have helped you along the way.

We encourage you to let us know how we're doing at meeting your needs. We rely on your feedback to ensure that we're offering Montana's taxpayers the best service possible. If you have suggestions for how we do business, email them to [DORCustomerAssistance@mt.gov](mailto:DORCustomerAssistance@mt.gov) or call toll-free 1-866-859-2254 (in Helena 444-6900).

We'd also value any suggestions or comments you have on Montana tax forms as we begin the annual process of reviewing and updating the forms for the next tax year. Email those comments or suggestions to Tracee Abel, Income Tax Specialist, at [TAbel@mt.gov](mailto:TAbel@mt.gov).

Thank you for subscribing to our newsletter. We hope you've had a chance to catch up on your sleep and find some time to enjoy yourselves after the demanding tax season. You deserve it!

## Last TNYCU Until August

This May 5 issue of *Tax News You Can Use* is the last issue scheduled until sometime in August.

Throughout the year, we welcome your suggestions for articles, as well as your questions and comments. You can email TNYCU at [DORWritingProject@mt.gov](mailto:DORWritingProject@mt.gov).

You can keep up-to-date with all Department of Revenue news by following us on [Twitter](#) at @MTRRevenue and by reading our news releases on [revenue.mt.gov/home/Newsroom](http://revenue.mt.gov/home/Newsroom).

## Tax Facts

### For 2016, as of April 29:

- Total number of individual income tax returns we've processed: 469,618
- Number of individual tax returns we've received electronically: 434,993
- Number of individual income tax refunds we've issued: 358,055
- Average amount of refunds: \$426
  
- Average days for e-filed refund: 2016 = 6 days; 2015 = 5.1 days
- Average days for paper-filed refund: 2016 = 18 days; 2015 = 22 days

### As of May 4:

- Number of fraudulent tax returns we've intercepted: 297
- Amount of fraudulent refunds we've prevented: \$378,321

## Administrative Rule Activity

Go to [revenue.mt.gov/rules](http://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](http://Revenue.mt.gov)  
**Email:** [DORCustomerAssistance@mt.gov](mailto:DORCustomerAssistance@mt.gov)  
**Toll Free:** 1-866-859-2254  
**Helena:** (406) 444-6900



**Tax News You Can Use:** [DORWritingProject@mt.gov](mailto:DORWritingProject@mt.gov)  
We welcome your suggestions for articles, as well as your questions and comments.

*It pays to follow Revenue on Twitter: @MTRRevenue*

## Subscribe

Go to the [Newsroom](#) page on [revenue.mt.gov](http://revenue.mt.gov) and click the "Tax News You Can Use" tab.

*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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