

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.

Reminder About Extended Due Dates

Fiduciary and individual income tax returns with a valid filing extension are due by Monday, October 17. These filers will have a filing extension if their withholding and the estimated and extension payments made by April 18 totaled at least 90 percent of their 2015 tax liability or 100 percent of their 2014 liability.

Returns without an extension and those submitted after October 17 may be charged a late filing penalty of up to \$50.

The 2015 Extension Payment Worksheet can be used to help determine if a valid filing extension exists for a taxpayer. **Please note:** Interest and a late payment penalty may still apply to taxes not paid by April 18 even if the taxpayer has a valid extension to file. If you have a Power of Attorney on file with the Department of Revenue for your client, you can contact us to determine if your client has paid enough on time to be eligible for an extension.

Schedules Required with Amended Tax Return Filings

If a tax return filed for a tax year before 2015 was incorrect, you have *five years* from the due date of the original tax return to file an amended Montana tax return to correct the error. Tax returns filed for tax years 2015 and later are subject to a *three-year* statute of limitation.

It is important to include all schedules with an amended return for processing even if an amendment did not affect the schedule. For example, an original tax return included Schedule V - Montana Tax Credits because the taxpayer claimed a credit. The taxpayer then amended his return, but the amendment did not affect the credit. The amended return should still include a Schedule V because the tax credit is still a claimed amount on the amended return. We treat each tax return like a new return in

our information system and, if the information on a return is incomplete, processing errors and delays could occur.

You can file amended returns electronically with any approved software, even if you used a different software to file the original return. Check with your software provider to determine if it allows for filing amended returns. We process electronically-filed amended returns the same way we process the original return. After you submit the amended return electronically, the vendor software provides an acknowledgment of having received the return. For a list of approved software, go to the department's website revenue.mt.gov/home/online_services and click the Tax & Payroll Software tab.

2016 MW-3s Coming in January

The Montana Department of Revenue will mail the 2016 Forms MW-3 "Montana Annual W-2 1099 Withholding Tax Reconciliation" (MW-3s) in early January.

We are currently implementing a core software upgrade to our computer system. While we feel fortunate to work with an enhanced system starting next year, the process will change some of our year-end processes. Consequently, the mailing of the 2016 MW-3s will happen later than usual. We respectfully ask all users to plan accordingly.

Understanding that employers and practitioners prefer to receive MW-3s earlier, we will resume sending the MW-3s in early December next year.

The 2016 MW-3s are still due by February 28, 2017.

DOR Employees Offer Tax Updates & Training

Department of Revenue employees will give presentations at various programs around the state and talk about changes in state tax laws and rules, changes to forms, and changes in federal taxes and what impact they might have on Montana.

DOR Income Tax Specialists Tracee Abel and David Merrien will present at the University of Montana School of Extended & Lifelong Learning's Tax Practitioner Institute on October 25 in Missoula. David will present again on October 28 in Great Falls. For more information about the institute, visit <http://www.umt.edu/sell/cps/tax/>.

Tracee will be in Billings at the GearUp program sponsored by the Montana Society of Public Accountants held at the Billings Hotel and Convention Center. The seminars and workshops run from Monday, October 24 through Thursday, October 27 and Tracee will present the Montana update Thursday from 1:00 to 4:00 p.m. For more information visit: <http://www.mspamt.org/events>.

Preview Drafts of 2016 Individual & Business Tax Forms

Go to revenue.mt.gov, Forms tab, to preview the 2016 draft individual and business tax forms. Keep in mind that these are drafts only and are therefore subject to change. Do not use these forms for software development. This page also has a link to the 2016 tax rates.

If you are interested in the list of approved tax software products, go to the department's website revenue.mt.gov/home/online_services and click the Tax & Payroll Software tab.

Businesses: Unclaimed Property Reports Due November 1

The Montana Department of Revenue would like to remind businesses throughout the state that the deadline for submitting an annual unclaimed property report is November 1. Montana law requires businesses to submit the report if they are holding unclaimed property. The deadline applies to all businesses except life insurance companies, whose deadline is May 1.

The department encourages businesses to submit their unclaimed property report electronically through the free Montana ePass File Transfer Service. Businesses can do so by going online to revenue.mt.gov, clicking the Online Services button, and then on the Holder Unclaimed Property tab. Electronic filing is secure, accurate, and encrypted, which means that businesses do not need to encrypt the submission themselves or protect it with a password.

Businesses can also file using downloadable forms from the department website. The department cannot accept unclaimed property reports on compact discs, diskettes, tapes, or USB devices.

Unclaimed property is any financial asset that is being held by a business for a person or entity that owns the asset but cannot be found. The asset can be an uncashed check, dormant savings or checking account, payroll check, credit balance, money order, customer deposit, travelers check, stock or bond certificate, insurance payment, certificate of deposit, safe deposit box contents, and other interests or benefits.

Improvements Coming to TAP

The Montana Department of Revenue is upgrading its web-based Taxpayer Access Point application and changing the name to TransAction Portal (TAP). It's the same TAP that you know plus new, user-friendly improvements. The changes take effect January 1, 2017, and our goal is to make it as easy, convenient, and secure for you to conduct business with the department.

Stay tuned for more information and how-to tutorials coming your way the closer we get to January.

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. For the latest approval status of each product, go to the department's website revenue.mt.gov/home/online_services and click the Tax & Payroll Software tab.

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 DOReservices@mt.gov.

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
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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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