

# Montana Tax News You Can Use

Montana Department of Revenue

November 17, 2016

## In This Issue

Presentations by DOR Tax Specialists

MW-3s Coming in January

New NOA in January

VITA/TCE Needs Volunteers

Tax Credits for Qualified Education Contributions

Improvements Coming to TAP

IIT Due April 18

Tax Facts

Administrative Rule Activity

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

## DOR Tax Specialists Presenting at Statewide Accounting Events in December

Chapters of the Montana Society of Certified Public Accountants (MSCPA) and other accounting groups will host DOR tax specialists Tracee Abel and David Merrien at events across the state in December. They will discuss changes in state tax laws and rules, changes to forms, and changes in federal taxes that impact Montana.

**December 8, Helena**, 11:30 AM to 1:30 PM in the 2nd floor conference room at the Anderson ZurMuehlen offices in the Great Northern Town Center. Lunch is provided for \$10/members and \$20/nonmembers. For registration details or to RSVP, contact the Helena Chapter at [helenachapterofcpa@gmail.com](mailto:helenachapterofcpa@gmail.com).

**December 14, Billings**, 2:30 PM to 4:30 PM, location pending. The cost for the meeting is \$15/members and \$25/nonmembers. For registration details or to RSVP, contact the Billings Chapter at [bccpa@homail.com](mailto:bccpa@homail.com).

**December 15, Butte**, 4:00 PM to 6:00 PM at Christina's Cocina Café. Dinner is provided for members at no cost, \$25 for nonmembers (includes CPE). Accounting students are welcome free of charge. For registration details, contact Brandon Clark of Newland and Company, 494-4754, [bclark@newlandpc.com](mailto:bclark@newlandpc.com).

## 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. You can file them electronically on Taxpayer Access Point <https://tap.dor.mt.gov/> starting in early January. You can also file them using the enhanced version of QuickBooks.

## New Notice of Assessment in January

Beginning in January, the Montana Department of Revenue will use a revised format for initial assessments it sends. The new Notice of Assessment (NOA) is a three-page document that will include additional information about appeal rights and payment options.

The NOA, which is period-specific, will also reflect a change regarding the assessment of the late payment penalty. Currently, the late payment penalty is included with the assessment and the taxpayer has to send a written request to receive the penalty waiver. With the new NOA, the late payment penalty will not be included in the amount due, but will be shown for informational purposes along with the 30-day date that the tax and interest needs to be received by before the late payment penalty becomes effective.

The department will still send the Statement of Account (SOA) to taxpayers the first of each month if the balance due on the NOA was not paid within 30 days. The SOA has also been expanded to include additional information helpful to the taxpayer and will include multiple tax periods if applicable.

Additional information about the NOA and SOA, including a link to sample forms, will be included in the December 15 issue of *Tax News You Can Use*.

## VITA/TCE Needs Volunteers

How would you like to help people with low to moderate incomes file their taxes? The Internal Revenue Service Volunteer Income Tax Assistance/Tax Counseling for the Elderly (VITA/TCE) programs are recruiting volunteers to assist with income tax preparation and related activities at sites across Montana.

Every year, tax volunteers prepare thousands of state and federal individual income tax returns as a public service for Montana taxpayers. **There is a role for anyone who wants to help.** For additional information or to sign up to be a volunteer, contact Wendi Castle, IRS Relationship Manager, at (406) 444-8625, or go to [irs.gov](http://irs.gov) and type "tax volunteer" in the search box. Sign up now and make a difference in your community!

## 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 enter your taxpayer identification number and register your donation or pledge. Registering the donation or pledge will make the donor eligible for the tax credit. Once your donation is preapproved, you will receive a confirmation code that you must keep with your records. To claim the credit on your 2016 tax return, you need to donate the funds directly to OPI or the SSO by December 31. For more information about donations to [Innovative Educational Programs](#) or [SSOs](#), click the "Help" link on the upper right corner of the website portal.

## **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 2, 2017. TAP will continue to be an easy, convenient, and secure way for you to conduct business with the department.

TAP will be unavailable from 5:00 p.m. on December 29 to 5:00 p.m. on January 2 as we implement the changes.

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

## **2017 Individual Income Tax Filing Deadline: April 18**

The filing deadline is extended in 2017 because of the District of Columbia's observation of Emancipation Day.

In most years, the filing deadline is April 15. In some years, the District of Columbia's observation of Emancipation Day can affect the nation's filing deadline (District of Columbia holidays impact tax deadlines in the same way that federal holidays do), as well as Montana's. Because Emancipation Day falls on Sunday, April 16, in 2017 it will be observed on Monday, April 17.

Consequently, this pushes the federal and Montana tax filing deadlines to the next business day - Tuesday, April 18, 2017. The additional time also applies to any payments normally due on April 15.

## Tax Facts

For 2016, as of November 11:

- Total number of individual income tax returns we've processed: 543,770
- Number of individual tax returns we've received electronically: 480,775
- Number of individual income tax refunds we've issued: 411,954
- Average amount of refunds: \$476

## 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: @MTRevenue*

## 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.

**Montana Department of Revenue | Tax News You Can Use**  
Edited by [Molly A. Petersen](#)

Montana Department of Revenue, P.O. Box 5805, Helena, MT 59604

Sent by [dorwritingproject@mt.gov](mailto:dorwritingproject@mt.gov) in collaboration with

**Constant Contact**   
Try it free today