

Montana Tax News You Can Use

Montana Department of Revenue

March 2, 2017

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



Form PT-AGR - Third Party Vendor Issues

The department received feedback from users that some software is not preparing the Pass-through Entity Owner Tax Agreement [Form PT-AGR](#) correctly.

The department is working to resolve this issue. If you are having trouble preparing the Form PT-AGR, or any other form, check to make sure you are using the most current version of the software and update if necessary.

If the problem persists, contact the software vendor first. Once you've contacted the vendor, email a description of the issue, including the name of the software you use, to our E-Services Unit at dore-services@mt.gov.

You can file the Form PT-AGR electronically on Montana [TransAction Portal \(TAP\)](#). Visit the Department of Revenue website under [Online Services](#) for more TAP information. The [Form PT-AGR](#) is also available on our website.

Filing Requirements for Disregarded Entities

Disregarded entities are required to file returns in Montana unless the entity is a single-member limited liability company (SMLLC) and its owner is a full-year resident (individual, estate, or trust). As provided in [ARM 42.9.501](#), the resident owner reports the activity of the SMLLC on his or her personal income tax return.

All other disregarded entities file a Montana Form DER-1 each year. The due date of the return depends upon the due date of the owner's return. For example, if the disregarded entity is owned by an S corporation, Form DER-1 is usually due on or

before March 16. If the owner has an extension, the disregarded entity automatically has an extension as well. The [Form DER-1](#) is available on our website.

You can file the Montana Disregarded Entity (DER) tax form electronically on Montana [TransAction Portal \(TAP\)](#). Visit the Department of Revenue website under [Online Services](#) for more TAP information.

Disregarded entities are subject to the same pass-through withholding requirements that partnerships and S corporations are subject to under 15-30-3313, MCA. The [DER payment voucher](#) is also available on our website.

Reminder About Elderly Homeowner/Renter Tax Credit (2EC)

The department would like to remind elderly taxpayers and their tax preparers that the Elderly Homeowner/Renter Credit can be claimed on the Form 2, individual income tax form, or on Form 2EC as a stand-alone form if the elderly taxpayer is not required to file a Montana individual income tax return. The credit is limited to \$1,000, but often amounts to less.

When filing as a homeowner, please remember that the law bases the credit computation on the property tax *billed* during the year, not the amount of property tax actually *paid*.

In addition, where the land surrounding the residences exceeds one acre, the law limits the amount of tax associated with the land to the amount assessed on up to one acre. If the home is on more than one acre and you need assistance with determining the appropriate tax amount to use, contact the Department of Revenue office in your county or the central office in Helena.

Finally, remember that only taxpayers whose gross household income is less than \$45,000 are eligible for this credit. Gross household income refers not only to the gross income from the taxpayer claiming the credit, but also includes the gross income of all the other members of the household.

Other eligibility requirements include: being 62 or older before the last day of the tax year; the presence for at least 9 months in Montana during the tax year; and the occupation of a dwelling as a renter or owner for at least 6 months during the tax year.

Driver's License Information on e-Filed Returns

Beginning with tax year 2015, Montana, along with other states and the IRS, requested that driver's license information for the primary taxpayer and spouse be included on electronically filed returns in an effort to combat stolen-identity tax fraud. Taxpayers were asked to provide the information from their driver's license or state issued identification card. For taxpayers who do not have a driver's license or state ID card, they have the option to indicate such and still be allowed to e-file. Beginning with 2016, the driver's license information became a requirement when filing income tax returns in some states. However, although we encourage taxpayers to include their driver's license information to help prevent identity theft, it remains optional for Montana income tax filing purposes.

SSNs, FEINs, and PTINs Must Be Unmasked On All Paper Tax Forms

The Department of Revenue cannot process a paper tax form in our system if it contains masked IDs (SSN, FEIN or PTIN) on any of the form pages. Masked IDs force manual intervention on paper tax forms and can cause delays in processing the form. Software vendors are advising their clients to verify they are printing and sending the correct form version, without masked IDs, to the department. In addition, check that you are using the most current version of the software and update it if necessary.

Property Tax Relief and Reporting Deadlines for Property Owners

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

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, 2016.

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 Facts

For 2017, as of February 24:

- Total number of individual income tax returns we've processed: 154,563
- Number of individual tax returns we've received electronically: 150,552
- Number of individual income tax refunds we've issued: 66,962
- Average amount of refunds: \$454.34

Approved Tax Software for Tax Year 2016

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](#).

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



Tax News You Can Use: DORWritingProject@mt.gov

We welcome your suggestions for articles, as well as your questions and comments.

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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.

Montana Department of Revenue | Tax News You Can Use
Edited by [Christie Magill](#)

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

Constant Contact 

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