

# 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.



## Claim Refunds for 2011 Tax Returns by April 15

If your client did not file a Montana individual income tax return for 2011, they may have unclaimed payments for that year and may be due a refund. If they are, they must claim their refund by the April 15 tax deadline by filing a 2011 Montana individual income tax return.

Here are some facts about unclaimed taxes:

- Some people, such as students and part-time workers, may not have filed because they had too little income to require filing a tax return. They may have a refund waiting if they had taxes withheld from their wages or made quarterly estimated payments
- If a taxpayer did not file a 2011 Montana tax return, Montana law provides a five-year window to claim a refund from that year. (Note: The statute of limitations is three years beginning with the 2015 tax year.) For 2011 returns, the window closes on April 15, 2017. For federal purposes, the statute of limitations is generally three years instead of five years
- If a taxpayer doesn't file a claim for a refund within the timeframe allowed for Montana individual income tax purposes, the money becomes the property of the state of Montana
- The Department of Revenue may hold your 2011 refund if you have not filed tax returns for 2012 through 2015. The department will apply the refund to any federal or state tax you owe

Current and prior year tax forms and instructions, including the forms and instructions for the 2011 tax year, are available at [revenue.mt.gov/forms](http://revenue.mt.gov/forms).

## Where's My Refund?

The Department of Revenue call center receives hundreds of inquiries from taxpayers each day wondering, "Where's my refund?" Please let your clients know that because of the ongoing nationwide increase in identity theft and filing of fraudulent returns, the department takes time to review all returns to ensure they are valid. We expect it to take at least four weeks for taxpayers to receive their refund or receive a notice from the department if they have filed electronically or at least eight weeks if they filed on paper. We appreciate their patience.

Your clients can go to our website at [revenue.mt.gov](http://revenue.mt.gov) and click on the link for "[Where's My Refund?](#)" to find frequently asked questions about our refund process. To check the status of their refund, they can click the link for the [TransAction Portal](#) and then use the Quick Link "Where's My Refund?" They will need their Social Security number and the amount of their 2016 state refund. The amount can be found on:

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

## Filing Extensions for S Corporation and Partnership Returns

The due date for filing a Montana S corporation ([Form CLT-4S](#)) and Montana partnership return ([Form PR-1](#)) is March 15 and April 17, respectively. Approval of an extension to file a federal S corporation or partnership return automatically extends the time to file a Montana S corporation or partnership return to the date approved for filing the federal return. If the Montana return is on extension, make sure to mark the extension box on page 2 of the return. Include a copy of the federal [Form 7004](#) with paper-filed S corporation and partnership returns.

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.

## Planning the 2017 Estimated Tax Payments Using Pass-Through Withholding Amount From 2016

Nonresident taxpayers that own an interest in a pass-through entity may be subject to withholding on their share of Montana source income. Due to changes in withholding requirements for second-tier pass-through owners, some residents may also find that tax was withheld on their share of pass-through income.

Whether resident or nonresident, some of these taxpayers may be required to make estimated tax payments. When required, estimated tax payments must equal 100% of the 2016 tax liability, or 90% of the 2017 tax, less tax credits and withholding. The uncertainty of pass-through income, and accordingly the amount of pass-through withholding credit that will be available to the taxpayer, may lead taxpayers or preparers to ignore the pass-through withholding in their estimated tax calculation. This may result in an overpayment for the taxpayer.

Deducting the 2016 withholding from the estimated tax payments for 2017 is a reasonable way to lessen or eliminate this overpayment. Depending on the information made available by the pass-through entity in the course of 2017, taxpayers can modify their quarterly payments to meet their requirements more closely and avoid interest on underpayment. Taxpayers may use Form ESW and/or Form ESA on our website to calculate adjustments to estimated tax.

## 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](http://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](http://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 March 3:

- Total number of individual income tax returns we've processed: 184,891
- Number of individual tax returns we've received electronically: 180,004
- Number of individual income tax refunds we've issued: 110,588
- Average amount of refunds: \$444.39

## 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. For the latest approval status of each product, go to the department's website [revenue.mt.gov/home/online\\_services](http://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 [DORe-services@mt.gov](mailto:DORe-services@mt.gov).

## 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

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**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.

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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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**Constant Contact** 

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