

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.



Alternative Energy System Credit

Montana provides a credit for investments in "recognized nonfossil forms of energy generation" as defined in [15-32-102](#), MCA, and ARM [42.4.110](#). Solar energy systems are one of the qualifying investments and have been increasing in popularity. **To qualify for the credit, an individual must install a system to provide energy for their principal dwelling.**

The requirements for the credit do not allow a credit for participation in a community solar program. Community solar programs traditionally provide a credit on the participant's monthly bill, but do not fit the definition of a "system." Rather, they are an investment in a component of a larger system that may or may not provide energy directly to the participant's residence.

For 2016, the connection of the system to a net-metering device does not affect the qualification for the credit.

For more information, see Form [ENRG-B](#).

Filing Extensions for Partnership Returns

The due date for filing a Montana partnership return ([Form PR-1](#)) is April 17. The new federal due date for filing partnership returns is March 15 but Montana is still statutorily tied to April 15 (which is a Saturday) for tax year 2016. However, House Bill 42 was recently signed into law so the due date for filing Montana partnership returns will be March 15 beginning with tax year 2017.

An extension to file a Montana partnership return automatically extends the time to file a partnership return to the date approved for filing the federal return (September 15). 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 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.

Reminders to Preparers when Filing MT Tax Forms

Below are some helpful reminders when filing your clients' taxes:

- If your client is expecting a direct deposit refund, or owes for taxes due, verify the client's bank routing and account numbers are current and correct. Many banks have been acquired by other banks and the routing numbers have changed. Banks are rejecting direct debit payments and direct deposits, if the routing and/or account numbers are incorrect.
- Form 2, Page 1 Dependent Section: Do not print "See Attached" in the page 1 dependent section. The first four (4) dependents must be listed on page 1 and any dependents over four (4) should be listed on an overflow sheet.
- Paper tax forms must be signed and dated by the taxpayer(s).
- Do not submit paper tax forms with masked IDs (SSNs, FEINs, PTINs).
- A partnership that has 100 or more partners over the course of its tax year is required to file the Montana Form PR-1 electronically. A partnership may request a waiver of the electronic filing requirement if the partnership can demonstrate that compliance with the requirement would cause an undue hardship. The Partnership E-File Waiver Request (Form PWR) with instructions can be found on the [Forms](#) page under Pass Through Entities/Supplemental Forms and Instructions.

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 March 10:

- Total number of individual income tax returns we've processed: 212,899
- Number of individual tax returns we've received electronically: 207,268
- Number of individual income tax refunds we've issued: 141,317
- Average amount of refunds: \$447.16

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.