

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.



Filing Extension for Montana Individual Income Tax Returns

To qualify for an automatic, six-month extension to file a Montana individual income tax return, taxpayers need to, by April 18, have paid either (1) 90% of their current year Montana income tax liability, or (2) 100% of their prior year Montana income tax liability. Taxpayers also qualify for an extension if their 2016 tax liability is \$200 or less.

To ensure they have met the requirements listed above and to see if they need to make an extension payment, taxpayers should review and complete [Montana Form EXT-16](#), Extension Payment Worksheet. If an extension payment is necessary, they can pay it online by going to revenue.mt.gov and clicking [Online Services](#) or with a check by using the tax payment voucher from the bottom of [Form EXT-16](#).

Please remember that filing a federal request for an extension of an individual income tax return does not have any bearing on receiving a Montana extension.

A valid Montana extension gives taxpayers until October 16, 2017, to file. Unless taxpayers qualify for the extension because their tax liability is \$200 or less, an extension of time to file is not an extension of time to pay. Late pay penalties and interest accrue from the original due date until the tax liability is paid in full.

Filing Extension for Montana Partnership Returns

An approved extension to file a federal partnership return automatically extends the time to file a Montana partnership return (Form PR-1) to the same date approved for filing the federal return. If the Montana return is an extension, make sure to mark the extension box on page 2 of the return. Include a copy of the federal Form 7004 if you are filing a paper partnership return.

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.

Private Collection of Some Overdue Federal Taxes Starts in April; Those Affected Will Hear First From IRS; IRS Will Still Handle Most Tax Debts

IR-2017-74, April 4, 2017

WASHINGTON - Starting this month, the Internal Revenue Service will begin sending letters to a relatively small group of taxpayers whose overdue federal tax accounts are being assigned to one of four private-sector collection agencies.

The new program, authorized under a federal law enacted by Congress in December 2015, enables these designated contractors to collect, on the government's behalf, unpaid tax debts. Usually, these are unpaid individual tax obligations that are not currently being worked by IRS collection employees and often were assessed by the tax agency several years ago.

Taxpayers being assigned to a private firm would have had multiple contacts from the IRS in previous years and still have an unpaid tax bill.

"The IRS is taking steps throughout this effort to ensure that the private collection firms work responsibly and respect taxpayer rights," said IRS Commissioner John Koskinen.

"The IRS also urges taxpayers to be on the lookout for scammers who might use this program as a cover to trick people. In reality, those taxpayers whose accounts are assigned as part of the private collection effort know they have a tax debt."

The program will begin this week with a few hundred taxpayers receiving mailings and subsequent phone calls, with the program growing to thousands a week later in the spring and summer. Taxpayers with overdue taxes will always receive multiple contacts, letters and phone calls, first from the IRS, not private debt collectors.

[Read the entire release](#) on how the program works, and how to protect your taxpayers against private debt collection phone scams.

IRS Creates New Email Address For Fraud

The IRS is telling employers and businesses that have been victimized by identity thieves to notify the Service by sending an email to DataLoss@IRS.gov. The Phishing@IRS.gov email address is for individuals who have been scammed by someone pretending to work for the IRS. The DataLoss@IRS.gov email is geared for anyone who has been tricked into handing over employee W-2s to a criminal. It should also be used by a company whose systems have been breached, either by force or by trickery.

Extended Call Center Hours

The Montana Department of Revenue call center is offering extended hours again this tax season to assist taxpayers during the days before the April 18 deadline for filing income tax returns.

The call center will be available during regular business hours, 8 a.m. to 5 p.m. Monday through Friday, April 10-14. The call center will have extended hours during the last few days of tax season. Beginning Saturday, April 15, help will be available 10 a.m. to 2 p.m., Monday, April 17, 7 a.m. to 7 p.m., and Tuesday, April 18, 7 a.m. to 8 p.m.

Taxpayers who need assistance can call the department's call center toll free at 1-866-859-2254, or in Helena at 444-6900. Taxpayers can also send an email to DORCustomerAssistance@mt.gov for tax assistance.

Where's My Refund?

As income tax return filing season continues, we would like to remind taxpayers about the advantages of filing electronically and about expectations for refund timelines. Because of the ongoing nationwide increase in identity theft and filing of fraudulent returns, the department takes times to review returns to make sure they are valid. This means that the department cannot always give you a timeframe for how long it will take to issue your client's refund.

[TransAction Portal \(TAP\)](#) will show you the status of your return and refund. The status of the refund depends on where the return is in the process.

Refunds could seem slow or be delayed because:

- In response to security measures in place to protect from identity theft, we may have sent taxpayers an identity verification letter (see next article). Refunds cannot be processed until the steps included in the letter are completed.
- Returns have line item or calculation errors to be reviewed.
- Refunds may have been offset to pay another state debt. Taxpayers will receive a letter if this happens.
- A taxpayer is considered to be a first-time filer. A first-time filer is defined as a taxpayer who has not filed a Montana tax return as a primary or secondary taxpayer in previous years.

Be sure the same information is used from current year's tax return:

- Social Security Number
- Refund Amount

Refund amounts can be found on:

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

["Where's My Refund"](#) has up-to-date information available about refunds. Information is updated overnight, Monday through Friday, so there is no need to check more than once a day. The information in "Where's My Refund" is similar information available to our phone representatives when you call.

If it has been more than eight weeks, our representatives may have additional information. Call us toll free at (866) 859-2254, in Helena (406) 444-6900, between the hours of 8 a.m. and 5 p.m., Monday through Friday.

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 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.

Income Tax Filing Deadlines

April 17 is the deadline for filing:

- Montana partnership returns ([Form PR-1](#))
- e-File: [Tax & Payroll Software](#)
- Montana disregarded entity returns ([Form DER-1](#)) for entities owned by partnership
- e-File: [Transaction Portal \(TAP\)](#)

April 18 is the deadline for filing:

- Individual state income tax returns ([Form 2](#), [Form 2EZ](#), [Form 2EC](#))
- e-File: [Online Services](#)
- Estate and trust income tax returns ([Form FID-3](#))
- e-File: [Tax & Payroll Software](#)

Tax Facts

For 2017, as of March 31:

- Total number of individual income tax returns we've processed: 308,445
- Number of individual tax returns we've received electronically: 290,342
- Number of individual income tax refunds we've issued: 222,344
- Average amount of refunds: \$454.25

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
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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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