

Montana Tax News You Can Use

Montana Department of Revenue

October 12, 2017

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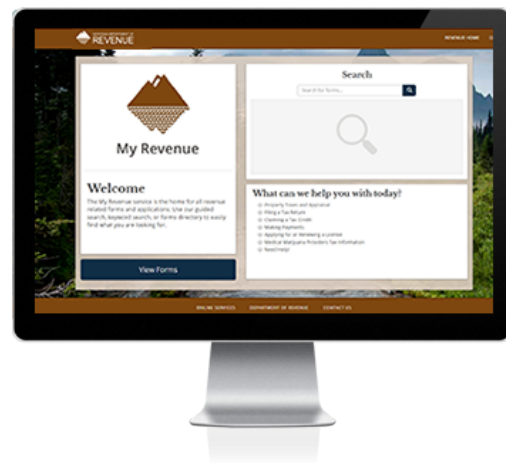
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An e-newsletter for tax preparers and those interested in the state's tax system.



MT Dept. of Revenue to Introduce MyRevenue

The department is implementing a new website application called MyRevenue to more easily find what you and your clients are looking for in the way of forms and filing options. The service consists of guided search, keyword search, and a forms directory for all revenue related forms and procedures. You can access MyRevenue from the department's homepage at revenue.mt.gov.



MT Dept of Revenue Security Specialist Chosen for National Advisory Committee

MT Department of Revenue Security Specialist Suzanne Kruger was selected by the Internal Revenue Service (IRS) to serve on the Electronic Tax Administration Advisory Committee (ETAAC). Since 1998, ETAAC has provided input to the IRS on electronic tax administration through its Annual Report to Congress. ETAAC's responsibilities also include addressing the serious problem of Identity Theft Tax Refund Fraud (IDTTRF). Its members work

closely with the Security Summit, a joint effort of the IRS, state tax administrators and tax software industry.



As Security Specialist, Kruger is responsible for ensuring that the appropriate operational security posture is maintained for the department's information systems. To enhance her degrees in Network Security and Network Administration she achieved her Certified Information Systems Security Professional credential in 2014.

Tax Facts

For 2017, as of October 6:

- Total number of individual income tax returns we've processed: 560,621
- Number of individual tax returns we've received electronically: 461,927
- Number of individual income tax refunds we've issued: 406,108
- Average amount of refunds: \$485

IRS Security Alert to Tax Preparers

All e-Services users need to be on the alert for a new phishing scam that tries to trick tax professionals into "signing" a new e-Services user agreement. The phishing scam seeks to steal passwords and data.

As IRS e-Services begins its move later this month to Secure Access authentication and its two-factor protections, cybercriminals likely will make last-ditch efforts to steal passwords and data prior to the transition. Don't take the bait!

The scam email claims to be from "e-Services Registration" and uses "Important Update about Your e-Services Account" in the subject line. It states, "We are rolling out a new user agreement and all registered users must accept its revised terms to have access to e-Services and its products." It asks you to review and accept the agreement but takes you to a fake site instead.

If you have clicked onto this link, you should perform a deep scan with your security software, contact your office's IT/cybersecurity personnel and contact the IRS e-Help Desk.

To read more about what the IRS is doing to protect your accounts with Secure Access authentication, go directly to the main e-Services landing page on [IRS.gov](https://www.irs.gov).

Montana Tax Assistance for Natural Disasters

The Montana Department of Revenue expresses sincere sympathy to people whose homes, businesses, lands, and other property have been damaged or destroyed by a natural disaster. Please let us help. If your clients incurred a loss of their dwelling, other buildings, or forestland due to a natural disaster they may be eligible for property tax relief.

If the disaster has prevented you from meeting your filing or paying requirements of a state tax, such as income or other tax or fees, you may be eligible for a tax filing extension or a waiver of penalty and interest.

Property Tax Relief for Structures and Business Equipment

In order to qualify for property tax relief, the property must be rendered unsuitable for its previous use. The relief is prorated based on the number of days in the current tax year the property was unsuitable for its previous use. Below is a list of types of property that could be eligible for this relief:

- Real property dwellings - All or partially destroyed
- Real property improvements (such as garages, sheds, barns and grain bins) - All or partially destroyed
- Manufactured housing and mobile homes - All or partially destroyed
- Business equipment - All or partially destroyed

You can apply for this property tax relief by completing a Natural Disaster Application ([Form AB-25](#)). This application is also available in all Department of Revenue local offices. Simply call your local office to have a form mailed to you. Your local Department of Revenue office can provide you with necessary property information to complete the form. To find the address of your local office, [visit revenue.mt.gov](http://visit.revenue.mt.gov).

Property Tax Relief for Eligible Forest Land

Landowners may file for property tax relief for their forest lands if the natural disaster impacted the land so much that the land does not meet the minimum stocking requirements. Minimum stocking requirement means that at least 10% of forest land was covered by trees. The landowner must show the forest land that was previously classified as forest land is now, due to the natural disaster, not meeting the stocking requirement or not 10% covered by trees.

This adjustment results in a 50% reduction in forest productivity value for 20 years from the date of the disaster. The first reduction is available the year following the disaster event.

You can apply for this property tax relief by completing the **Request for Informal Classification and Appraisal Review** ([Form AB-26](#)). This application is also available in all Department of Revenue local offices. Simply call your local office to have a form mailed to you. If needed, your local Department of Revenue office can provide you with necessary property information to complete the form.

Reminder About Extended Due Dates

Fiduciary and individual income tax returns with a valid filing extension are due by Tuesday, October 17. These filers will have a filing extension if their

withholding and the estimated and extension payments made by April 18 totaled at least 90 percent of their 2016 tax liability or 100 percent of their 2015 liability.

Returns without an extension and those submitted after October 17 may be charged a late filing penalty of up to \$50.

The 2016 Extension Payment Worksheet can be used to help determine if a valid filing extension exists for a taxpayer.

Please note: Interest and a late payment penalty may still apply to taxes not paid by April 18 even if the taxpayer has a valid extension to file. If you have a Power of Attorney on file with the Montana Department of Revenue for your client, you can contact us to determine if your client has paid enough on time to be eligible for an extension.

MT Dept of Revenue Begins Medical Marijuana Provider Tax Process

The Montana Department of Revenue reminds medical marijuana providers to file their first Medical Marijuana Provider tax return and payment by October 15, 2017. The tax return and payment are for the quarter ending September 30, 2017.

Montana's Medical Marijuana Act, or SB 333, was passed by the 2017 Legislature and creates a tax on the gross revenues of providers of medical marijuana products. The tax is 4% of gross revenues up through the period ending June 30, 2018, and 2% for subsequent years.

Medical marijuana providers should file their tax returns electronically on the department's website at <https://app.mt.gov/myrevenue/Home>.

The department is accepting any method of payment for this tax, including cash, however we highly recommend electronic or non-cash payment methods. Providers can pay online when they file their return, or send checks and money orders to:

Montana Department of Revenue
PO Box 6169
Helena, MT 59604-6169

Providers can also deliver a cash payment to a drop box in Helena. The department will not accept cash payments at any other locations. The drop box is located at the department's downtown building, 340 N. Last Chance Gulch, Helena, MT 59601. The lobby is open Monday through Friday from 9 a.m. to 4 p.m., except on holidays.

Additional Steps When Paying by Cash

1. All cash payments must be in a tamper-evident deposit bag. Enclose the cash in the bag before entering our lobby. The bag must be no larger than 11" x 13." Do not overstuff the bag - it must fit in the drop box slot. Use more than one bag if your payment does not fit in one. You can buy bags online and office supply stores.

2. Print a payment voucher from MyRevenue at <https://app.mt.gov/myrevenue/Home>.
3. Include a copy of the voucher in each deposit bag.
4. Write the provider name and ID on each deposit bag.
5. To maintain accuracy, sort cash by denomination. The department will not accept any mutilated or contaminated currency. Exact amount is required. The department is not equipped to make change.

For more information and frequently asked questions, visit revenue.mt.gov or call 406-444-6900.

2018 Withholding Tables

The Montana Department of Revenue determined that the existing wage withholding tables will remain in effect for 2018. We made this determination as a result of our annual review.

Tax Booklets

In an effort to save taxpayer dollars, the Department of Revenue no longer prints tax booklets. Please visit revenue.mt.gov for available options or call us at 406-444-6900.

Under Construction

Stay tuned for the launch of the department's new website before the end of this year. The new website will be more streamlined and user friendly with enhanced navigation and plain language that's clear, simple and direct. We'll give you regular updates in this e-newsletter about the launch.

Administrative Rule Activity

Go to revenue.mt.gov/rules for information about the department's current rule making activity, public hearing dates, and to sign up to receive future notices by email.

Call Center Number

The Montana Department of Revenue has discontinued the use of our toll free number. To reach us by phone, please dial 406-444-6900 and a Customer Service Representative will assist you. The Call Center is available Monday through Thursday from 8 a.m. until 5 p.m. and on Friday from 9 a.m. until 5 p.m. Did you know that you can also email your questions to DORCustomerAssistance@mt.gov? We respond to emails within 24 business hours.

Future Issues & Articles

Coming up in future issues of Montana Tax News You Can Use, read about income tax implications of AirBNB and other vacation rentals, as well as medical marijuana.

We'll also tell you about the business apprenticeship tax credit, change of address, and approved tax software. Look for you next issue of Montana Tax News You Can Use in your email box on November 16, 2017.

Share our Newsletter

Please feel free to share our newsletter Montana Tax News You Can Use with your clients, coworkers and other partners, and encourage them to sign up to receive our regular issues in their email boxes. Just log on to revenue.mt.gov to sign up. Click on the newsroom tile, then the Tax News You Can Use tab.

Contact MT DOR

Web: Revenue.mt.gov
Email: DORCustomerAssistance@mt.gov
Helena Area: (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.

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Edited by [Wendy Brown](#)

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