



# Montana Publication 4

## Pass-Through Entity Tax Guide

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## Introduction

Senate Bill 554, passed during the 68th Legislature, created a new elective tax for partnerships and S corporations. The pass-through entity tax (PTET) is an elective tax paid by the pass-through entity on an owner's distributive share of Montana source income. The pass-through entity may claim this tax as an above-the-line deduction for federal income tax purposes. The tax is assessed at the entity level and is passed to its owners to be used as a refundable credit against any Montana income tax owed. The state and local tax deduction limitation on the individual owners' federal returns does not apply to this tax, as provided in IRS Notice 2020-75.

## Federal Tax Law Implications

This guide does not address the federal tax law implications related to making a PTET election in Montana or any other state. The department cannot provide guidance or advice to a taxpayer about any method to determine the amount of the PTET paid or accrued to Montana that can be deducted for federal tax purposes. However, the information in this guide will provide taxpayers with information about how to determine the amount of the Montana PTET and the Montana tax implications of an election. Taxpayers may use this information to file their own federal income tax return.

## Acronyms and Definitions

The following acronyms and definitions are used throughout this guide.

**Affected owner.** Affected owners include individuals, estates, trusts, partnerships, S corporations, and disregarded entities owned by individuals, estates, or trusts. Owners that are not affected by the PTET are C corporations, tax-exempt entities, or disregarded entities owned by a partnership, a corporation, or an undisclosed person.

An affected owner is an owner that is receiving a PTET credit based on its MTSI derived from the activities of a directly or indirectly owned PTE making the election.

### **Electing pass-through entity (PTE).**

Partnership or an S corporation electing to be subject to the PTET.

**Flow-through payment.** A payment made by a third or related party on behalf of a pass-through entity.

**Mineral royalty withholding (MRW).** Mineral royalty withholding is the withholding required under [15-30-2538, MCA](#) and paid by remitters of the royalties.

**Montana source income (MTSI).** The PTE's income as determined pursuant to the allocation and apportionment provisions under the Multistate Tax Compact (See [15-6-201, MCA](#)), or the distributive share of everywhere income allocable to a resident owner when the resident election is made.

**Pass-through entity tax (PTET).** An elective tax assessed by a PTE on the distributive share of Montana source income for all affected owners and equal to Montana's highest marginal income tax rate.

**Pass-through withholding (PT-WTH).** Back-up withholding tax assessed on certain pass-through entity owners under [15-30-3313, MCA](#).

**PTET credit.** The amount of the PTET an owner may use as a refundable tax credit against its Montana tax liability.

**Resident owners.** Resident individuals, estates, trusts, and disregarded entities owned by a disclosed resident individual, estate, or trust.

## Pass-Through Entity Tax Election

A PTE must elect to pay the PTET. The election is made by an authorized representative of the PTE's choosing. That representative must be disclosed on Form PTE. Typically, this is the same representative that will represent the PTE during any audit proceedings in front of the department. (See [15-30-3402, MCA](#).)

The election must be made by the extended due date of the Form PTE. Once a valid election is made, it is irrevocable. An election made after the extended due date for filing Form PTE is not valid. If the department receives a Form PTE after the extended due date with a PTET election, the election will be denied, the PTET will be reversed, and any amount paid in connection with the return **will not** be treated as a payment of the PTET and, instead, will be treated as payment of PT-WTH.

As a result, when a PTET election is made, the distributive share of MTSI attributable to entities not affected by PTET may be subject to pass-through withholding tax (PT-WTH) as required by statute, with the alternative being to include these owners in a composite election.

## Calculating the Pass-Through Entity Tax

For Tax Year 2023, an electing PTE calculates the PTET at 6.75 percent of the distributive share of MTSI attributable to all affected owners. In Tax Year 2024, the rate will decrease to 5.9 percent.

### Montana Source Income

By default, the MTSI used for the calculation of the PTET is the MTSI determined by the PTE using apportionment and allocation rules under the Multistate Tax Compact adopted by Montana under [15-1-601, MCA](#). However, MTSI also includes all other pass-through items of income received by a Montana resident when the resident election is made. (See the Resident Election section.)

The PTET may only be calculated on the distributive share of MTSI of affected owners. Disregarded entities must disclose their beneficial owner to the PTE and the tax identification number of the owner must be included on the Montana Schedule K-1 to be affected by the PTET election.

The distributive shares of MTSI attributable to owners not affected by the PTET are not included in the calculation of the PTET.

### Resident Election

When MTSI is less than 100% of everywhere net income, and some or all of the owners of the PTE are resident owners, the PTE may elect to use 100% of the distributive share of income allocable to resident owners, regardless of apportionment and allocation rules. When this election is made it is effective for all resident owners. Partnerships may have to make corresponding special allocations of federal deductions to match the federal benefit with the Resident PTET election.

### PTEs Not Doing Business in Montana

Partnerships and S corporations that do not conduct any business in Montana but that have Montana resident owners may file Form PTE and elect to pay the PTET. Because MTSI based on apportionment and allocation rules is zero, the PTE must make the Resident Election to make the PTET election effective.

**Important:** S corporations must exercise caution before using this election to avoid creating a second class of stock.

## Nonrefundable Income Tax Credits

Nonrefundable income tax credits including the Contractor's Gross Receipts Credit cannot be used to offset the PTET. These credits must be passed to owners to claim on the Montana Individual Income Tax Form (Form 2) or Montana Income Tax Return for Estates and Trusts (Form FID-3).

## Paying the PTET

A PTE can make payments for the PTET and other taxes in two different ways: estimated payments and flow-through payments.

### Estimated Taxes

PTEs that elect to pay the PTET or composite tax are required to make quarterly estimated tax payments for the following year. For a calendar year PTE, payments are due April 15th, June 15th, September 15th, and January 15th. If any of these days fall on a weekend or holiday, the payment is due on the next business day. Any pre-payment made by the PTE will be treated as a PTET estimated payment by default. Any excess is applied first against composite tax, then against PT-WTH.

For Tax Year 2023, the PTE may make estimated payments in proportion to when it began making estimated payments. For example, if a PTE began making estimated payments on September 15, 2023, the payment would be made in two installments. Beginning in Tax Year 2024, the PTE must make quarterly estimated payments if it elects to pay the PTET for the preceding tax year.

Estimated payments must be made by the PTE itself. The department **will not** transfer estimated tax payments from an owner's account to a PTE account. A PTE cannot make estimated payments on behalf of another PTE, even if that PTE is owned by the same owner(s).

### Flow-Through Payments

PTEs receiving flow-through payments must use them in whole or in part to pay the PTET. Each type of indirect payment follows different rules of attribution. Form PTE, Flow-Through Payments Schedule must be filed to apply flow-through payments against the different tax types: PTET, composite tax, and PT-WTH. Allocation of payments is complex. We recommend that PTE returns are filed electronically to avoid miscalculations in their aggregation and allocation.

## Refunds of Overpayments

Any overpayment of the PTET, including excess estimated payments or flow-through payments attributed to the PTET is refunded at the entity level. The PTE may only allocate the PTET to its affected owners. If the PTE makes the election, it not be able to pass excess PTET payments to its affected owners because the PTET is an entity tax, not a withholding.

## Penalties and Interest

The PTET is subject to the same penalties and interest as individual income tax.

### Interest on Underpayment of Estimated Tax

The PTE is required to make estimated tax payments throughout the year if it expects to owe a PTET liability of at least \$500. If the PTE was required to make estimated PTET payments and it did not pay the required amounts, it must pay interest on any underpayment. Interest on the underpayment of estimated tax is not assessed if no tax was due in the preceding year. PTET estimated payments made for Tax Year 2023 will not be subject to the interest on underpayment of estimated tax.

Beginning in Tax Year 2024, the PTE must make estimated payments if it elects to pay the PTET for the preceding tax year. Underpayment of estimated tax is subject to interest.

### Late Filing Penalty

A return filed after the due date, including the automatic six-month extension may not make a PTET election and is subject to the information return late filing penalty. The penalty is \$10 multiplied by the number of owners at the close of the tax year for each month or fraction of a month that the entity does not file the PTE information return. This penalty is calculated for up to five months and may not exceed \$2,500. See [15-30-3302, MCA](#).

### Interest Rate

The interest rate for taxes not paid when due in 2023 is 5 percent. Effective January 1, 2024, the annual interest rate assessed on outstanding balances is 7 percent. This rate also applies to underpayment of estimated taxes. Interest is calculated daily.

## Reporting Pass-Through Entity Tax on the Form PTE

### Form PTE Preparation Chart

The preparation charts included in the appendix are designed to help preparers complete Form PTE. Preparers may choose to follow preparation software that already includes these steps. You may use the following instructions as a guide to prepare a Form PTE that includes the PTET.

### Montana Adjustments Worksheet

Prepare the Montana Adjustments Worksheet to report additions to and subtractions from total federal income.

### Montana Additions

State income tax, including the PTET paid to Montana and other states, is not a deductible expense for Montana. When a PTE takes an above-the-line deduction for the PTET paid to any state that deduction must be added back to federal income. Generally, this amount is reported on Montana Adjustments Worksheet, line 1, column A, with the total amount of PTET reported on Page 1, line 15. The distributive share of the addition is reported on each owner's Schedule K-1.

If the PTE is receiving income from a lower-tier PTE, the addback is reported on Montana Adjustments Worksheet, line 1, column A, with the total amount of additions reported on Page 1, Line 15. The distributive share of the addition is reported on each owner's Schedule K-1. In a tiered structure, because the deduction for state or local taxes can increase or decrease at each tier separately, each tier must adjust the amount that must be added back.

### Montana Subtractions

If a PTE receives a refund of the PTET paid, it must recognize that as income for federal tax purposes because of the tax benefit rule. That refund is not income for Montana tax purposes and is deducted from federal taxable income regardless of which state issued the refund.

### Schedule K-1

The PTET is calculated on each owner's Schedule K-1. Multiply the owner's distributive share of MTSI reported on Schedule K-1,

Column B, Part 4, Line 14 by 6.75 percent. If making a Resident Election, multiply the resident owner's total share of distributive share of income reported on Schedule K-1, Column A, Part 4, Line 14 by 6.75 percent. Report the owner's PTET on Part 5, Line 1. The owner reports this amount as a refundable credit on their income tax return. The total amount of PTET assessed is reported on Form PTE, page 2, Line 25.

## Flow-Through Payments Schedule

PTEs that receive any flow-through payments must use the Flow-Through Payments Schedule to report these payments and apply them to any liability the PTE may have. Flow-through payments include MRW, PT-WTH, and the PTET credit and can be used as a credit against a tax owed by the PTE.

### Flow-Through Payments Schedule, Part I

Each of the types of flow-through payments received by the PTE are compiled in Part I.

**Column A - MRW.** MRW is withholding on a taxpayer's mineral royalties paid to the department by the remitter of the mineral royalty. It is reported to the recipient of the mineral royalty on federal Form 1099-MISC. MRW can also be received from a lower-tier PTE that did not elect to pay the PTET.

**Column B - PT-WTH.** PT-WTH is assessed by a lower-tier partnership on the distributive share of Montana source income allocated to the PTE. The PT-WTH is paid out of the PTE's capital account in the lower-tier partnership. As a result, this payment may constitute a payment of PTET for the upper tier electing to pay the entity tax. PT-WTH is reported to a PTE on its Schedule K-1 from the lower-tier entity.

**Column C - PTET Credit.** PTET credit is allocated to the PTE if the PTE owns interest in a partnership that elected to pay PTET. PTET credit is reported to a PTE on its Schedule K-1 from the lower-tier entity.

### Flow-Through Payments Schedule, Part II

In Part II, taxpayers will credit each flow-through payment type to each PTE tax type the taxpayer may owe.

Part II allocates the total flow-through payment types between three groups of owners based on each group's sum of profit and loss ratios.

*Group one* includes all affected owners if the PTE elects to pay the entity tax.

*Group two* includes participants in a composite

election. Note that because some owners are not affected by PTET, a return can have a group of affected owners and a group of C corporations electing to pay composite.

*Group three* includes the owners that are not participating in a composite tax election. If the PTE does not elect to pay PTET, group three also includes affected owners which may be allocated PTET credit received by the PTE based on their share of profit and loss. PT-WTH may be required on the distributive share of MTSI allocated to the owners of this group. *Note:* If the PTE does not elect PTET and there are owners included in a composite election, Part 5, Line 1 of the K-1 for those owners must equal zero. No credit can be distributed to these owners.

**MRW and PT-WTH.** Each owner's distributive share of MRW and PT-WTH from Part I constitutes a payment of PTET, composite tax, or PT-WTH assessed at the PTE level. MRW must be pushed out to group three owners not subject to any taxes on their Schedule K-1. The PTE may also choose to push out excess MRW and PT-WTH from Part I in addition to assessing PT-WTH on group three owners.

**PTET Credit.** The aggregate of PTET credit coming from lower-tier PTEs is allocated to each group differently whether the PTE elects to pay PTET or not.

If the PTE elects to pay PTET, the PTET credit is applied against the PTET assessed on the distributive share of Montana source income allocated to group one owners.

If the PTE does not elect to pay the PTET, the PTET credit is allocated to group two and group three owners based on profit and loss. The PTET credit cannot be pushed out to group three owners that are not affected by PTET. Any excess credit must be claimed by the PTE and potentially refunded.

Note that when the PTE does not elect and receive the PTET credit, if pass-through withholding is owed, it must be reduced by the amount of the PTET credit allocated to the owner.

Part II, line 12 for each column is the amount of flow-through payments that the PTE can use to pay each tax. The resulting totals are reported on Form PTE, Page 2 and applied to each PTE tax type.

## PTET Reporting for Owners

Direct and indirect owners receiving the PTET credit may have certain reporting requirements. An owner's PTET is used as a refundable credit against the owner's tax liability and must be reported on the owner's tax return. Owners must add back the above-the-line deduction for the PTET taken against federal taxable income. If a PTET is paid in another state, resident individual, trust, and estate owners may take the tax credit for income taxes paid to another state for the PTET liability in the other state.

However, if the PTET is paid on behalf of a nonresident owner whose only MTSI for the tax year is from the PTE, the owner is not required to file an income tax return. The payment of the PTET by the PTE relieves the owner of the income tax return filing requirement.

## Montana Adjustments to Income

Any state PTET taken as a deduction from total federal pass-through income or recognized as income on the owner's federal return must be added back or subtracted respectively on the owner's Montana return. When the owner receives a Montana Schedule K-1, that addition or subtraction is shown in Part III, and includes the deduction related to taxes paid to other states. Because of the possible difference between what is being deducted by the PTE on the federal return and the amount of PTET assessed on the Montana return of the same tax year, the Montana Adjustment and the PTET credit are likely to be different amounts.

When the owner does not receive a Montana Schedule K-1, the owner must obtain the relevant information from the PTE. Note that PTEs can file a Montana return and issue Montana Schedules K-1 to provide owners with this information even if the PTE does not conduct business in Montana.

## Refundable Tax Credit

The PTET is a refundable tax credit to be used against the owner's Montana tax liability. Individuals report the PTET credit on Form 2, Other Payments Schedule. The owner must first calculate their Montana liability without regards to the Montana PTET credit, and then claim the PTET credit as a refundable credit.

Estates and trusts report the PTET credit on Form FID-3, line 38a. Estates and trusts distribute the

PTET credit to beneficiaries in the same proportion used to report the beneficiary's income from the estate for Montana income tax purposes.

Note that other states' PTET are never a refundable credit.

## Owner Estimated Taxes

PTE owners are often required to pay estimated taxes. Owners may reduce their estimated taxes by the amount of PTET credit they expect to receive from the PTE. That is because when determining the existence of an underpayment of estimated taxes, the liability calculated on the owner's return is reduced by the amount of PTET credit shown on the MT Schedule K-1 received by the owner.

Estimated taxes must be paid by the PTE. Owners cannot pay the PTET. Estimated taxes paid by the owner will not be credited against the estimated taxes that the PTE must pay.

To avoid paying interest on the underpayment of estimated tax, the owner must determine how much PTET credit they are expected to receive. The owner may use the amount of PTET credit to determine the owner's estimated taxes and in the calculation of any interest on the underpayment of estimated tax owed at the owner level.

*Example 1:* Jane owns 50% interest in a PTE. Without regards to the PTET, she owes a total of \$24,000 in estimated taxes.

The PTE is electing to pay the PTET and plans to pay \$20,000 of estimated taxes representing 100% of the PTET assessed, or that would have been assessed, in the previous year. The PTE is expecting an increase in net income.

Jane decides to reduce her estimated tax payments by \$10,000. She receives a PTET credit of \$16,000. Jane qualifies for the safe harbor of 100% of the previous tax year taxes.

*Example 2:* Same facts as Example 1, except that the PTE communicates during the year that sales are lower by 10 percent compared to last year. Jane decides to reduce her estimated taxes by \$8,000 to \$16,000.

When the PTE files its return, its PTET is assessed at \$18,000 and the PTE is refunded \$2,000. Jane's PTET credit is \$9,000. Because Jane paid \$16,000 of estimated taxes and received a PTET credit of \$9,000 for a total

of \$25,000, she qualifies for the \$24,000 safe harbor of 100% of the previous year taxes.

*Example 3:* Same facts as Example 1, except that the PTE is expecting a loss and does not pay PTET estimated taxes. Jane does not want to overpay her estimated taxes. She wants to qualify for the 90% safe harbor of the current year taxes to avoid underpayment of estimated taxes. Because the PTE losses would be suspended, she calculates her estimated taxes without regards to PTE losses. Jane decides to reduce her estimated taxes by \$10,000. Her other items of income for the year are similar to what they were in the previous year. As a result, her current year taxes are \$15,000. Because Jane paid \$14,000, she meets the safe harbor of 90% of the current year taxes.

### Tax Credit for Income Taxes Paid to Another State

Resident owners may claim a credit for income taxes paid to another state, including a payment of another state’s PTET. The credit is calculated on the owner’s income tax return. Individuals use the Credit for Income Taxes Paid to Another State or Country Schedule on the Form 2. Estates and trusts use Worksheet I, found in the Form FID-3 instructions. This guide addresses the calculation of the credit for purposes of the PTET. Complete instructions for the calculation of the credit may be found in the Form 2 or Form FID-3 instructions.

Before calculating the credit, report your pro-rata share of the state income tax deduction as an addition to federal income. Individuals report this on Form 2, Additions Schedule, line 14. Estates and trusts report the amount on Form FID-3,

Schedule A, line 5.

An owner completes the Credit for Taxes Paid to Another State Schedule as follows.

**Line 1.** Enter the income subject to tax in Montana and in the other state, including when the final tax was paid at the entity level.

**Line 2.** Enter the income taxed in the other state. If the tax was paid at the entity level, the taxable income is the income subject to PTET and/or composite tax.

**Line 3.** Enter the income taxable to Montana.

**Line 4.** Enter the total income tax liability paid to the other state, without regards to the other state’s PTET credit, if any. If the tax was paid at the entity level and the owner did not have to file a return in the other state, enter the amount of foreign PTET or composite tax represented on the other state Schedule K-1.

**Line 5.** Enter the Montana tax liability calculated without regards to the Montana PTET credit.

Then follow instructions of lines 6 through 10.

*Example:* Charles is a resident of Montana. He owns an interest in Partnership X that does business in Montana, California, Colorado, and Connecticut.

Partnership X paid the PTET in all the states in which it is doing business. Charles did not opt-out of the election in California. In all the states the PTET was assessed based on apportioned income.

Charles’s situation in 2023 is represented in this table with the assumption that all states use the same rules of apportionment:

2023 Montana Credit for Income Taxes Paid to Another State				
State	Apportioned Income	PTET Rate	PTET	Deduction taken on federal return
Montana	\$30,000	6.75%	\$2,025	\$2,000
California	\$20,000	9.30%	\$1,860	\$2,000
Colorado	\$90,000	4.40%	\$3,960	\$4,000
Connecticut	\$20,000	6.99%	\$1,398	\$1,400
<b>Total</b>	<b>\$160,000</b>		<b>\$9,243</b>	<b>\$9,400</b>

The difference between the total of the PTET assessed and federal deduction results from the payments X can deduct as a cash-based partnership.

Charles received a state K-1 in each state that shows the amount of PTET assessed. Charles received a PTET credit in Montana, California, and Colorado equal to the PTET assessed by X. The Montana and Colorado credits are refundable in each respective state. California's credit is limited to the \$1,000 of taxes assessed on Charles's California income tax return. Connecticut has a nonresident filing exemption. Charles chooses not to file a Connecticut return because they provide an exemption, not a credit on the owner's return, and filing a return would not result in any refund.

When filing his Montana return Charles must do the following:

1. Record a Montana addition of \$9,400 for the deduction taken for federal tax purposes with regards to the PTET paid at the state level. (This information should be provided by X).
2. Claim \$2,025 of the PTET refundable credit on Form 2 for 2023.
3. Calculate the Montana tax on \$160,000 of pass-through income. This amounts to \$8,320, which results in an effective tax rate of 5.2%

Charles must also eliminate double taxation by claiming a credit for taxes paid to California, Colorado, and Connecticut.

**With regards to California:** Income subject to double taxation is \$20,000. The corresponding Montana tax is \$1,040. Although the California PTET credit is \$1,860, Charles only applied \$1,000 against his 2023 California taxes because his effective tax rate in California is 5%. The remaining \$860 is carried forward to future years. The credit equals \$1,000, which is less than the Montana tax.

**With regards to Colorado:** Income subject to double taxation is \$90,000. The corresponding Montana tax is \$4,680. Although the Colorado PTET credit is \$3,960, this is not the amount that Charles must compare to the Montana taxes because the Colorado PTET is a refundable credit on Colorado income tax. Charles paid an effective rate of tax of 4%. The Colorado tax on the \$90,000 of pass-through income is therefore \$3,600. The credit equals \$3,600, which is less than the Montana tax.

**With regards to Connecticut:** Income subject to double taxation is \$20,000. The corresponding Montana tax is \$1,040. Charles paid \$1,398 of taxes on pass-through income in Connecticut. This amount was not reduced. The credit equals \$1,040, which is less than the Connecticut tax. Total credits for taxes paid to other states equals **\$5,640** [\$1,000 + \$3,600 + \$1,040].

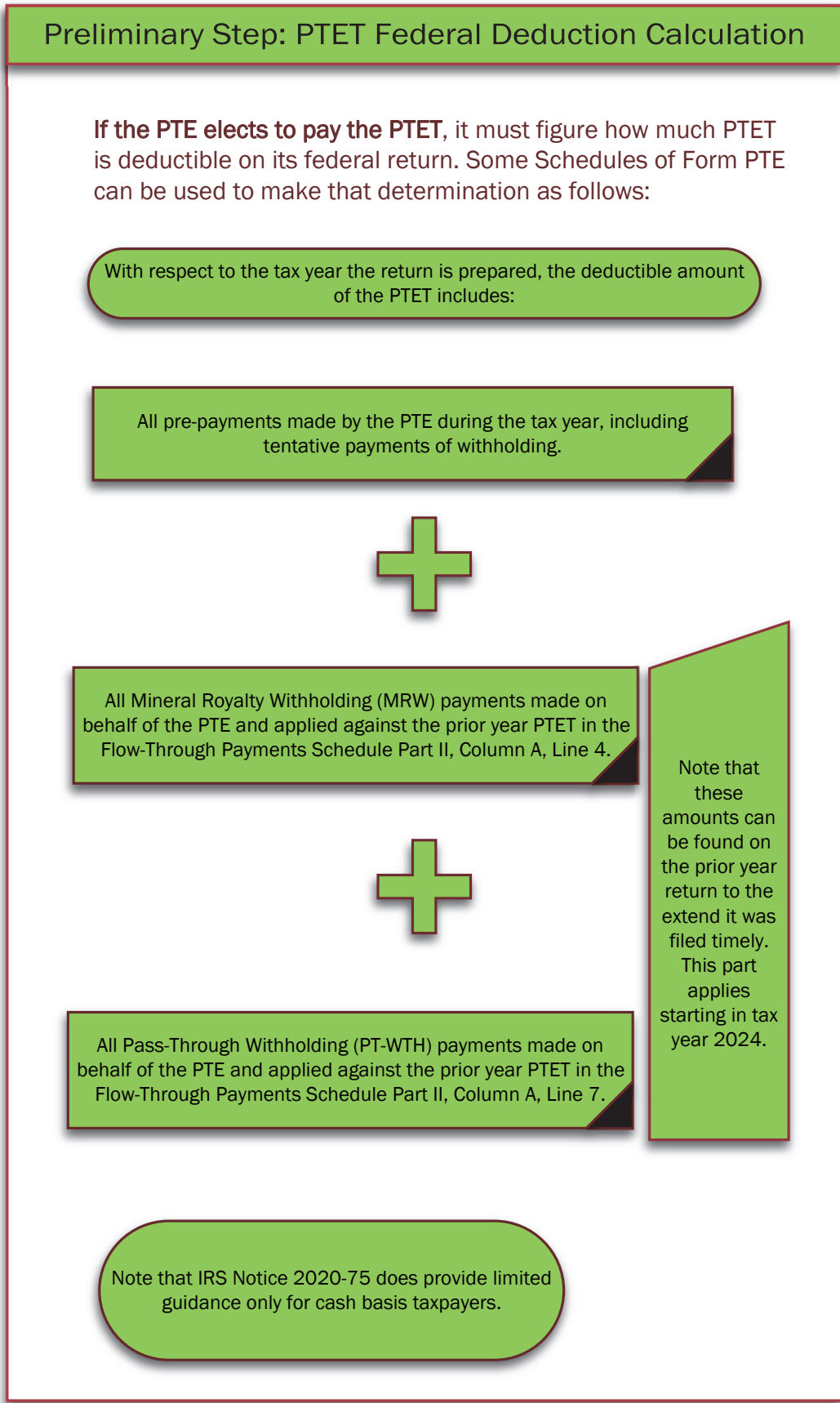
## Questions?

Call us at (406) 444-6900, or Montana Relay at 711 for the hearing impaired. Email questions to [DORPassthrough@mt.gov](mailto:DORPassthrough@mt.gov).



# Appendix

## PTE Preparation Charts



## Step 1: Distributive Share of Taxable Income

Prepare Federal Form 1065  
or 1120S, as applicable

Transfer federal  
Schedule K and  
Schedules K-1 to  
Form PTE and  
corresponding  
Schedules K-1

Prepare Schedule I  
if the PTE is a multistate  
entity with operations in  
Montana  
(see instructions)

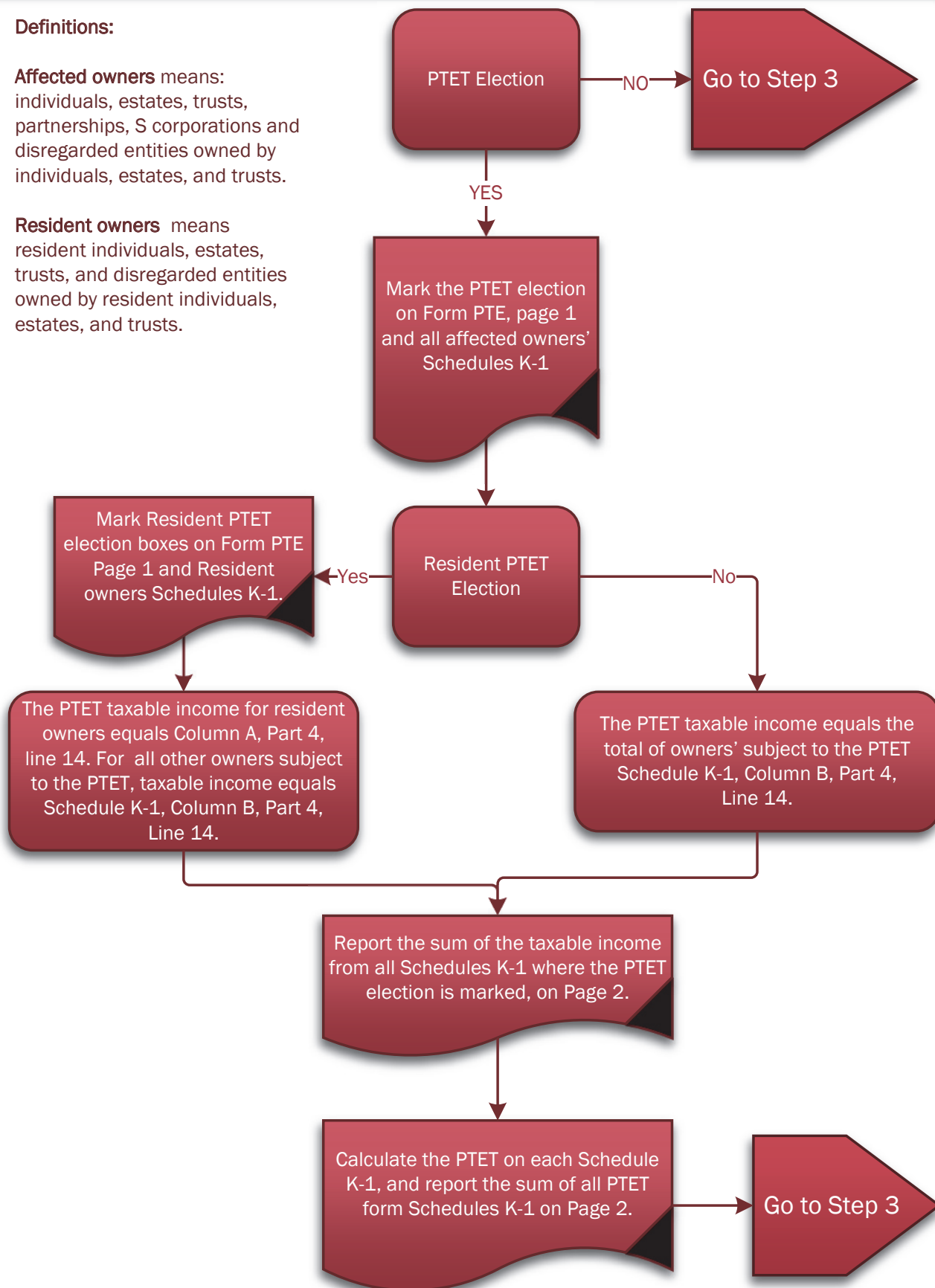
Complete all other  
Schedules and Worksheets  
as needed

## Step 2: PTET

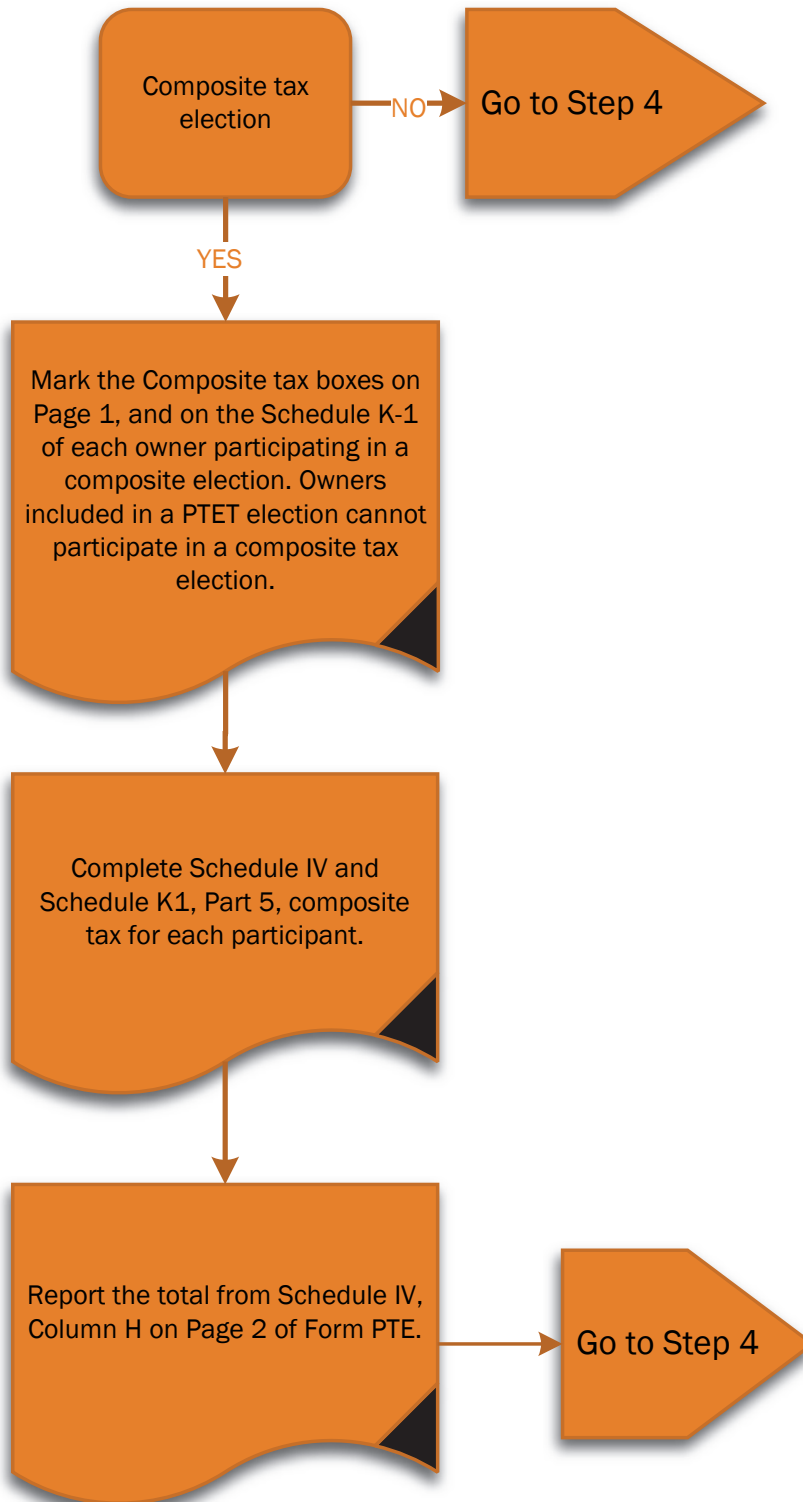
### Definitions:

**Affected owners** means: individuals, estates, trusts, partnerships, S corporations and disregarded entities owned by individuals, estates, and trusts.

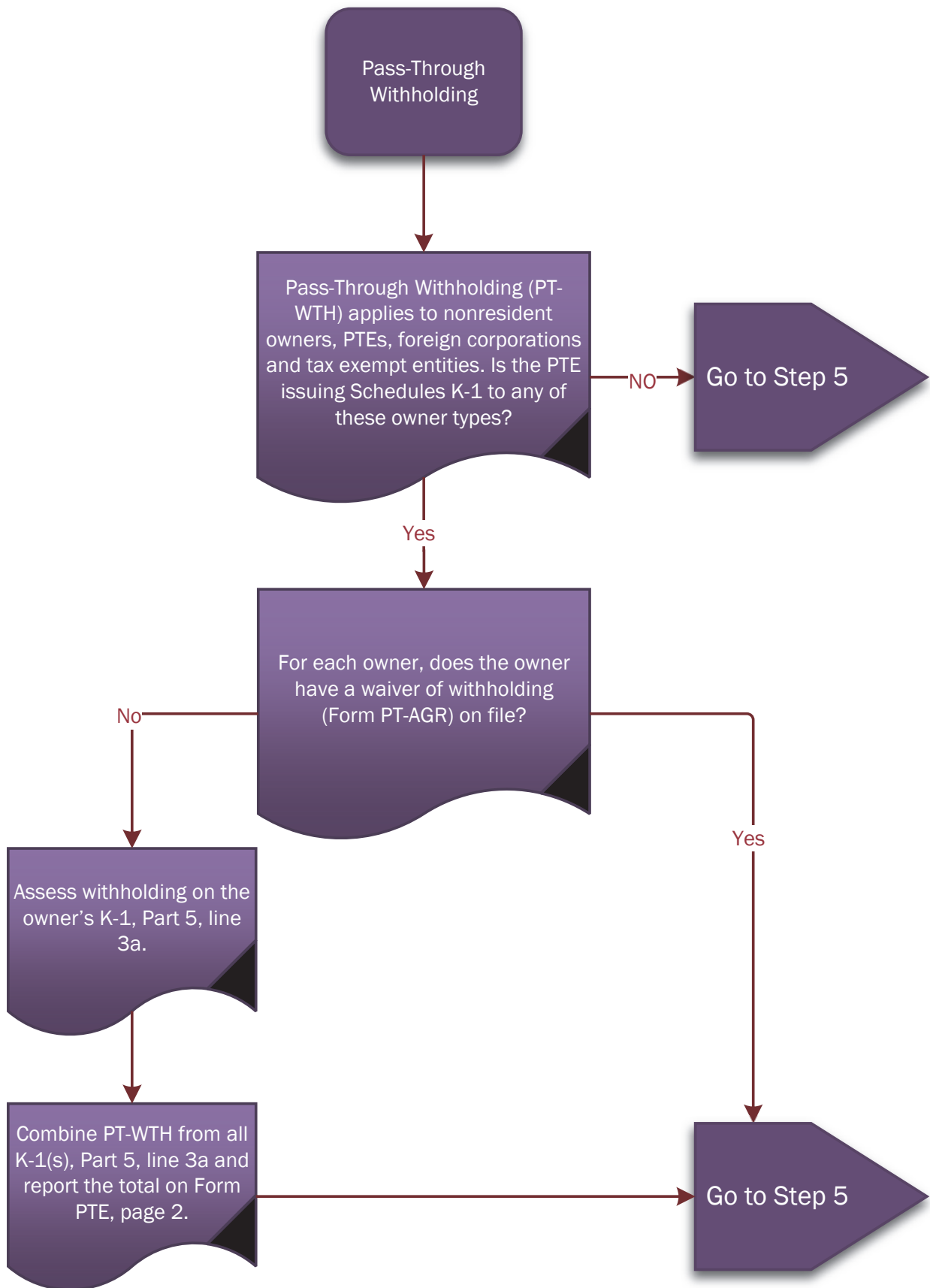
**Resident owners** means resident individuals, estates, trusts, and disregarded entities owned by resident individuals, estates, and trusts.



### Step 3: Composite Tax



## Step 4: Pass-Through Withholding



## Step 5: Payments

Report all prepayments on Page 2, line 1 and 2. Line 2 is for carryover from the previous year.

Report all flow-through payments on the Flow-Through Payment Schedule Part I.

Allocate the flow-through payments against taxes assessed on form PTE in the Flow-Through Payments Schedule Part II.

Report the total of payments allocated against the taxes assessed on Form PTE, Page 2.

Determine if there is an amount due or a refund

# Example 1 – Partnership Making a Resident Election and Receiving Flow-Through Payment

Partnership X has two owners with 50% interest each; Owner 1 is a nonresident and Owner 2 is a resident. The partnership receives MRW as flow-through payment on a federal Form 1099-MISC.

Example 1 illustrates the effect of the Resident election on the resident owner. It also shows how the MRW is used to pay for the PTET and, as a result, is not pushed out to owners.

Form PTE

## 2023 Montana Pass-Through Entity Tax Return

Include a complete copy of all related federal forms and schedules.

Partnership  S corporation

P

Clear Form



Page 1

For calendar year 2023 or tax year beginning MMDD2023 and ending MMDDYYYY

**Mark all that apply:**

Initial return  
 Final return  
 Amended return  
 Refund return  
 PTP  
 PTET  
 Resident PTET

Name: Example 1  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code + 4: \_\_\_\_\_

FEIN: \_\_\_\_\_  
 Federal Business Code/NAICS: \_\_\_\_\_  
 MT Secretary of State ID #: \_\_\_\_\_  
 Date of Registration in Montana: MMDDYYYY  
 State formed in: \_\_\_\_\_ on: MMDDYYYY

**Enter Number of:**

Schedules K-1 Included	2	Nonresident Owners	1	Schedules DE Included	
Resident Owners	1	Other Types of Owners	0	Schedules K-1 Received	

### Owners' Distributive Share of Income Items (federal Schedule K)

1	Ordinary business income (loss)		1	100000	00
2	Net rental real estate income (loss) (include federal Form 8825)		2		00
3a	Other gross rental income (loss)	00			
3b	Expenses from other rental activities (include detailed statement)	00			
3	Subtract line 3b from line 3a. <b>This is your other net rental income or loss.</b>		3		00
4a	Guaranteed payments: Services	00			
4b	Guaranteed payments: Capital	00			
4	Add lines 4a and 4b <b>This is your total guaranteed payments.</b>		4		00
5	Interest income		5		00
6	Ordinary dividends		6		00
7	Royalties		7		00
8	Net short-term capital gain (loss) (include federal Schedule D)		8		00
9	Net long-term capital gain (loss) (include federal Schedule D)		9		00
10	Net section 1231 gain (loss) (include federal Form 4797)		10		00
11	Other income (loss) (include detailed statement)		11		00
12	Add lines 1 through 11 and enter result. <b>This is your total federal income or loss.</b>		12	100000	00

### Owners' Distributive Share of Deduction Items (include federal Schedule K)

13a	Section 179 deduction (include federal Form 4562)	00	13a		
13b	Contributions	00	13b		
13c	Investment interest expense	00	13c		
13d	Section 59(e)(2) expenditures (include detailed statement)	00	13d		
13e	Other deductions (include detailed statement)	00	13e		
13	Add lines 13a through 13e and enter result. <b>This is your total federal deductions.</b>		13		00
14	Subtract line 13 from line 12. <b>This is your federal income from all sources.</b>		14		00

Federal Schedule K

Montana Source Income

15	Montana additions to the PTE's apportionable activities		15		00
16a	Montana subtractions from the PTE's apportionable activities	00	16a		
16b	Total everywhere income (loss) from federal Schedules K-1	00	16b		
16c	Total everywhere income (loss) from disregarded entities	00	16c		
16d	Other nonapportionable income (loss) from the PTE's own activities	00	16d		
16	Add lines 16a through 16d. <b>This is your deductions including nonapportionable income.</b>		16		00
17	Add lines 14 and 15, then subtract line 16.		17	100000	00
	<b>Schedule I not required:</b> <input type="checkbox"/> 100% Montana activity <input type="checkbox"/> 0% Montana activity				
18	Income (loss) apportioned to Montana. Multiply line 17 x 60.0000 %		18	60000	00
19a	Total Montana source income received from pass-through entities (Montana source income from MT Schedules K-1 issued to this entity)	00	19a		
19b	Total Montana source income from Schedules VII	00	19b		
19c	Nonapportionable income allocated to Montana. (See instructions)	00	19c		
19	Add lines 19a through 19c. <b>This is the total nonapportionable income (loss) sourced to Montana.</b>		19		00
20	Add lines 18 and 19; enter result. <b>This is your total Montana source income.</b>		20	60000	00

Example 1:

Form PTE, Page 2 – 2023

FEIN

Prepayments	21 2023 payments	21		00
	22 2022 overpayment applied to 2023	22		00
	23 Add lines 21 and 22. <b>Total prepayments</b>	23		00
Pass-through Entity Tax and Composite Tax	24 Total taxable income subject to pass-through entity tax from all owners' MT Schedules K-1, Part 4, line 14 (see instructions)	24	8000	00
	25 Total pass-through entity tax from all owners' MT Schedules K-1, Part 5, line 1	25	5400	00
	26 Flow-Through Payments Schedule, Column A, line 12	26	2000	00
	27 Add lines 23 and 26, then subtract from line 25. <b>Pass-through entity tax due or (overpayment)</b>	27	3400	00
	28 Total composite tax from Schedule IV, Column H	28		00
	29 Flow-Through Payments Schedule, Column B, line 12	29		00
	30 Add lines 27 and 28, then subtract line 29. <b>Composite tax and pass-through entity tax due or (overpayment)</b>	30	3400	00
	31 Interest on underpayment of estimated tax (see instructions)	31		00
	32 Total pass-through withholding from all owners' MT Schedules K-1, Part 5, line 3a	32		00
	Pass-Through Withholding	33 PTE's tax liability resulting from an adjustment to partnership income (see instructions)	33	
34 Flow-Through Payments Schedule, Column C, line 12		34		00
35 Add lines 32 and 33, then subtract line 34. <b>Pass-through withholding and other partnership liability due or (overpayment)</b>		35		00
36 PTE information return late filing penalty		36		00
37 Add lines 30, 31, 35, and 36. <b>Total PTE taxes with interest and/or penalty</b>		37	3400	00
Amended Return	38 For amended returns only - previously issued refunds	38		00
	39 For amended returns only - payments made with original return	39		00
Penalty and Interest	40 Add lines 37 and 38, then subtract line 39.	40	3400	00
	41 Late payment penalty	41		00
	42 Interest	42		00
	43 Add lines 40 through 42. <b>Total tax, penalties, and interest</b>	43	3400	00
	44 If line 43 is more than zero, enter the amount here. <b>This is the amount you owe.</b>	44	3400	00
	45 If line 43 is less than zero, enter the amount here. <b>This is your overpayment.</b>	45		00
	46 Enter the amount from line 45 that you want applied to your 2024 tax	46		00
Amount Owed or Refund	47 Subtract line 46 from line 45. <b>This is your refund.</b>	47		00

**Direct Deposit Your Refund**

1. RTN#  2. ACCT#

Complete 1, 2, 3, and 4. (See instructions)

3. If using direct deposit, you are required to mark one box.  Checking  Savings

4. If this refund is going to an account that is located outside of the United States or its territories, mark here.

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Officer  Date  Printed Name and Title  Telephone Number

X

Print/Type Preparer's Name  Preparer's Signature  Date  PTIN

Firm's Name  Firm's Address  Telephone Number  Firm's FEIN

If you allow the DOR to discuss this tax return with your tax preparer, mark here.



\*23TT0201\*



Example 1:

**Flow-Through Payments Schedule**

**Part I. Montana Schedules K-1 received by the pass-through entity reporting mineral royalty withholding, pass-through withholding, and/or pass-through entity tax.** Attach a statement with the same information if the PTE received more than four Montana Schedules K-1 reporting mineral royalty withholding, pass-through withholding, and/or pass-through entity tax.

Entity Name	FEIN	A. Mineral royalty withholding received	B. Pass-through withholding received	C. Pass-through entity tax received
1 ABC LLC	X X X X X X X X	2000 00	00	00
2		00	00	00
3		00	00	00
4		00	00	00
<b>5 Totals</b>		00	00	00

**Part II. Flow-through payment allocations (See instructions)**

		Schedules K-1 subject to:		
		A. Pass-through entity tax	B. Composite tax	C. Other
1 Sum of profit and loss percentage of all MT Schedules K-1 subject to applicable Column(s) A, B, and C	1	100.0000 %	%	%
2 Multiply total in Part I, Column A by percentage on line 1 for each column	2	2000 00	00	00
3 Mineral royalty withholding passed to owners	3			00
4 Enter Column A, line 2 and Column B, line 2. Subtract Column C, line 3 from Column C, line 2. <b>Balance of mineral royalty withholding the PTE can claim as a credit.</b>	4	2000 00	00	00
5 Multiply total in Part I, Column B by percentage on line 1 for each column	5	00	00	00
6 Pass-through withholding passed to owners	6			00
7 Enter Column A, line 5 and Column B, line 5. Subtract Column C, line 6 from Column C, line 5. <b>Balance of pass-through withholding the PTE can claim as a credit</b>	7	00	00	00
8 If Column A, line 1 is greater than 0%, enter the total from Part I, Column C	8	00		
9 If Column A, line 1 is 0%, multiply the total in Part I, Column C by Columns B and C, line 1	9		00	00
10 <b>Total pass-through entity tax passed to owners</b>	10			00
11 Enter Column B, line 9. Subtract Column C, line 10 from line 9. <b>Credit balance for PTE not electing to pay PTET</b>	11		00	00
12 Add lines 4, 7, 8, and 11 in each column. <b>Total payments the PTE can claim as a credit</b>	12	2000 00	00	00

**Part III. Authorized Representative:** Authorized to make PTET election for Tax Year 2023

Name	Title	Telephone Number	Email
Jon Doe	Grand Mammoth	1 5 2 2 6 3 2 2 5 5	JD@JD.com



\*23TT0301\*

Example 1:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning  and ending

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1					
		Pass-through Entity's Name Case 1					
		FEIN <input type="text"/>					
		Mailing Address					
		City <input type="text"/>	State <input type="text"/> ZIP Code <input type="text"/>				
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 1					
		Mailing Address					
		City <input type="text"/>	State <input type="text"/> ZIP Code <input type="text"/>				
		Owner Type <input type="checkbox"/> Resident <input checked="" type="checkbox"/> Nonresident					
		FEIN <input type="text"/>	OR <input type="text"/>				
		SSN <input type="text"/>	Beneficial owner				
		FEIN <input type="text"/>	or SSN <input type="text"/>				
		Special Allocations (See instructions) <input type="checkbox"/>	Profit and loss percentage <input type="text" value="50.0000"/> %				
		<input checked="" type="checkbox"/> The owner is included in a pass-through entity tax election	Capital/Ownership <input type="text" value="50.0000"/> %				
		<input type="checkbox"/> Resident owner PTET election (See instructions)					
		<input type="checkbox"/> The owner is included in a composite income tax return					
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments</b> (See worksheet on page 9)					
		<b>A. Everywhere</b>	<b>B. Montana</b>				
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>	1 Additions	1 00	00			
		2 Subtractions	2 00	00			
		1 Ordinary business income (loss)	1 50000 00	30000 00			
		2 Net rental real estate income (loss)	2 00	00			
		3 Other net rental income (loss)	3 00	00			
		4 Guaranteed payments	4 00	00			
		5 Interest income	5 00	00			
		6 Ordinary dividends	6 00	00			
		7 Royalties	7 00	00			
		8 Net short-term capital gain (loss)	8 00	00			
		9 Net long-term capital gain (loss)	9 00	00			
		10 Net section 1231 gain (loss)	10 00	00			
		11 Other income (loss) (include detailed statement)	11 00	00			
		12 Section 179 expense deduction	12 00	00			
13 Other expense deductions	13 00	00					
14 Total distributive share (See instructions)	14 50000 00	30000 00					
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="text"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>					
		1 PTET paid on behalf of owner. (See instructions)	1 2025 00				
		2 Montana composite income tax paid on behalf of owner	2 00				
		3a Montana income tax withheld on behalf of owner. (See instructions)	3a 00				
		3b Montana income tax withheld by a lower tier pass-through entity	3b 00				
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c 00				
4 Montana mineral royalty tax withheld	4 00						
5 Other information. List type <input type="text"/> and amount <input type="text"/>	5 00						
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>			
		1		00			
		2		00			
		3		00			
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)					
		1 Code <input type="text"/> <input type="text"/> 00	2 Code <input type="text"/> <input type="text"/> 00	3 Code <input type="text"/> <input type="text"/> 00	4 Code <input type="text"/> <input type="text"/> 00	5 Code <input type="text"/> <input type="text"/> 00	6 Code <input type="text"/> <input type="text"/> 00
		7 Code <input type="text"/> <input type="text"/> 00	8 Code <input type="text"/> <input type="text"/> 00	9 Code <input type="text"/> <input type="text"/> 00			



\*23TT1101\*

Example 1:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning  and ending

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1					
		Pass-through Entity's Name Example 1					
		Mailing Address City <input type="text"/> State <input type="text"/> ZIP Code <input type="text"/>					
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 2					
		Mailing Address City <input type="text"/> State <input type="text"/> ZIP Code <input type="text"/>					
		Owner Type <input type="checkbox"/> Special Allocations (See instructions) <input checked="" type="checkbox"/> Resident <input type="checkbox"/> Nonresident					
		<input checked="" type="checkbox"/> The owner is included in a pass-through entity tax election					
		<input checked="" type="checkbox"/> Resident owner PTET election (See instructions) <input type="checkbox"/> The owner is included in a composite income tax return					
		Profit and loss percentage	50.0000 %				
		Capital/Ownership	50.0000 %				
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments</b> (See worksheet on page 9)					
		<b>A. Everywhere</b>	<b>B. Montana</b>				
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>	1 Additions	1 00	00			
		2 Subtractions	2 00	00			
		1 Ordinary business income (loss)	1 50000 00	30000 00			
		2 Net rental real estate income (loss)	2 00	00			
		3 Other net rental income (loss)	3 00	00			
		4 Guaranteed payments	4 00	00			
		5 Interest income	5 00	00			
		6 Ordinary dividends	6 00	00			
		7 Royalties	7 00	00			
		8 Net short-term capital gain (loss)	8 00	00			
		9 Net long-term capital gain (loss)	9 00	00			
		10 Net section 1231 gain (loss)	10 00	00			
		11 Other income (loss) (include detailed statement)	11 00	00			
		12 Section 179 expense deduction	12 00	00			
13 Other expense deductions	13 00	00					
14 Total distributive share (See instructions)	14 50000 00	30000 00					
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="text"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>					
		1 PTET paid on behalf of owner. (See instructions)	1 3375 00				
		2 Montana composite income tax paid on behalf of owner	2 00				
		3a Montana income tax withheld on behalf of owner. (See instructions)	3a 00				
		3b Montana income tax withheld by a lower tier pass-through entity	3b 00				
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c 00				
4 Montana mineral royalty tax withheld	4 00						
5 Other information. List type <input type="text"/> and amount <input type="text"/>	5 00						
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>			
		1		00			
		2		00			
3		00					
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)					
		1 Code <input type="text"/>	00	2 Code <input type="text"/>	00	3 Code <input type="text"/>	00
		4 Code <input type="text"/>	00	5 Code <input type="text"/>	00	6 Code <input type="text"/>	00
		7 Code <input type="text"/>	00	8 Code <input type="text"/>	00	9 Code <input type="text"/>	00



\*23TT1101\*

# Example 2 – S Corporation Not Making a PTET Election and Receiving a Flow-Through PTET Credit

This example features an S Corporation that has two shareholders; Owner 1 is a nonresident and Owner 2 is a resident. The PTE elected to pay PTET of \$6,000 in another state but did not make an election to pay the PTET in Montana. Because the PTE does not elect to pay the PTET, the PTET credit is pushed out to all affected owners based on the share of profit and loss. The nonresident owner is subject to PT-WTH. The amount of PT-WTH is 6.75% of the MTSI, reduced by \$2,500 of PTET credit.

Example 2 also illustrates the distribution of PTET credit when the PTE does not elect to pay the PTET, and the reduction of PT-WTH by the amount of PTET credit reported on the owner's Schedule K-1.

**Form PTE**

**2023 Montana Pass-Through Entity Tax Return**

Include a complete copy of all related federal forms and schedules.

Partnership  S corporation

**P**

Clear Form

Page 1 For calendar year 2023 or tax year beginning MMDD2023 and ending MDDYYYY

<b>Mark all that apply:</b>	Name	FEIN	
<input type="checkbox"/>	Initial return Case 2	Federal Business Code/NAICS	
<input type="checkbox"/>	Final return	Mailing Address	MT Secretary of State ID #
<input type="checkbox"/>	Amended return	City State ZIP Code + 4	Date of Registration in Montana MDDYYYY
<input type="checkbox"/>	Refund return	State formed in	on MDDYYYY
<input type="checkbox"/>	PTP		
<input type="checkbox"/>	PTET		
<input type="checkbox"/>	Resident PTET	Enter Number of:	Schedules K-1 Included 2 Nonresident Owners 1 Schedules DE Included Resident Owners 1 Other Types of Owners 0 Schedules K-1 Received 1

<b>Owners' Distributive Share of Income Items (federal Schedule K)</b>			
	1 Ordinary business income (loss)	1	500000 00
	2 Net rental real estate income (loss) (include federal Form 8825)	2	00
	3a Other gross rental income (loss)	3a	00
	3b Expenses from other rental activities (include detailed statement)	3b	00
	3 Subtract line 3b from line 3a.	<b>This is your other net rental income or loss.</b> 3	00
	4a Guaranteed payments: Services	4a	00
	4b Guaranteed payments: Capital	4b	00
	4 Add lines 4a and 4b	<b>This is your total guaranteed payments.</b> 4	00
	5 Interest income	5	00
	6 Ordinary dividends	6	00
	7 Royalties	7	00
	8 Net short-term capital gain (loss) (include federal Schedule D)	8	00
	9 Net long-term capital gain (loss) (include federal Schedule D)	9	00
	10 Net section 1231 gain (loss) (include federal Form 4797)	10	00
	11 Other income (loss) (include detailed statement)	11	00
	12 Add lines 1 through 11 and enter result.	<b>This is your total federal income or loss.</b> 12	500000 00
<b>Owners' Distributive Share of Deduction Items (include federal Schedule K)</b>			
	13a Section 179 deduction (include federal Form 4562)	13a	00
	13b Contributions	13b	00
	13c Investment interest expense	13c	00
	13d Section 59(e)(2) expenditures (include detailed statement)	13d	00
	13e Other deductions (include detailed statement)	13e	00
	13 Add lines 13a through 13e and enter result.	<b>This is your total federal deductions.</b> 13	00
	14 Subtract line 13 from line 12.	<b>This is your federal income from all sources.</b> 14	00
	15 Montana additions to the PTE's apportionable activities	15	6000 00
	16a Montana subtractions from the PTE's apportionable activities	16a	00
	16b Total everywhere income (loss) from federal Schedules K-1	16b	33750 00
	16c Total everywhere income (loss) from disregarded entities	16c	00
	16d Other nonapportionable income (loss) from the PTE's own activities	16d	00
	16 Add lines 16a through 16d.	<b>This is your deductions including nonapportionable income.</b> 16	33750 00
	17 Add lines 14 and 15, then subtract line 16.	17	466250 00
	<b>Schedule I not required:</b> <input type="checkbox"/> 100% Montana activity <input type="checkbox"/> 0% Montana activity		
	18 Income (loss) apportioned to Montana. Multiply line 17 x 60.0000 %	18	279750 00
	19a Total Montana source income received from pass-through entities (Montana source income from MT Schedules K-1 issued to this entity)	19a	33750 00
	19b Total Montana source income from Schedules VII	19b	00
	19c Nonapportionable income allocated to Montana. (See instructions)	19c	00
	19 Add lines 19a through 19c.	<b>This is the total nonapportionable income (loss) sourced to Montana.</b> 19	33750 00
	20 Add lines 18 and 19; enter result.	<b>This is your total Montana source income.</b> 20	313500 00

Office Use Only  
Date Received



\*23TT0101\*

2023v1  
08/2023

Example 2:

Form PTE, Page 2 – 2023

FEIN

Prepayments	21 2023 payments	21	00
	22 2022 overpayment applied to 2023	22	00
	23 Add lines 21 and 22. <b>Total prepayments</b>	23	00
Pass-through Entity Tax and Composite Tax	24 Total taxable income subject to pass-through entity tax from all owners' MT Schedules K-1, Part 4, line 14 (see instructions)	24	00
	25 Total pass-through entity tax from all owners' MT Schedules K-1, Part 5, line 1	25	00
	26 Flow-Through Payments Schedule, Column A, line 12	26	00
	27 Add lines 23 and 26, then subtract from line 25. <b>Pass-through entity tax due or (overpayment)</b>	27	00
	28 Total composite tax from Schedule IV, Column H	28	00
	29 Flow-Through Payments Schedule, Column B, line 12	29	00
	30 Add lines 27 and 28, then subtract line 29. <b>Composite tax and pass-through entity tax due or (overpayment)</b>	30	00
	31 Interest on underpayment of estimated tax (see instructions)	31	00
	32 Total pass-through withholding from all owners' MT Schedules K-1, Part 5, line 3a	32	8283 00
	Pass-Through Withholding	33 PTE's tax liability resulting from an adjustment to partnership income (see instructions)	33
34 Flow-Through Payments Schedule, Column C, line 12		34	00
35 Add lines 32 and 33, then subtract line 34. <b>Pass-through withholding and other partnership liability due or (overpayment)</b>		35	8283 00
36 PTE information return late filing penalty		36	00
<b>Total</b> 37 Add lines 30, 31, 35, and 36. <b>Total PTE taxes with interest and/or penalty</b>		37	8283 00
Amended Return	38 For amended returns only - previously issued refunds	38	00
	39 For amended returns only - payments made with original return	39	00
Penalty and Interest	40 Add lines 37 and 38, then subtract line 39.	40	8283 00
	41 Late payment penalty	41	00
	42 Interest	42	00
	43 Add lines 40 through 42. <b>Total tax, penalties, and interest</b>	43	8283 00
	44 If line 43 is more than zero, enter the amount here. <b>This is the amount you owe.</b>	44	8283 00
Amount Owed or Refund	45 If line 43 is less than zero, enter the amount here. <b>This is your overpayment.</b>	45	00
	46 Enter the amount from line 45 that you want applied to your 2024 tax	46	00
	47 Subtract line 46 from line 45. <b>This is your refund.</b>	47	00

**Direct Deposit Your Refund**

1. RTN#  2. ACCT#

3. If using direct deposit, you are required to mark one box.  Checking  Savings

4. If this refund is going to an account that is located outside of the United States or its territories, mark here.

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Officer  Date  Printed Name and Title  Telephone Number

Print/Type Preparer's Name  Preparer's Signature  Date  PTIN

Firm's Name  Firm's Address  Telephone Number  Firm's FEIN

If you allow the DOR to discuss this tax return with your tax preparer, mark here.



Example 2:

**Flow-Through Payments Schedule**

**Part I. Montana Schedules K-1 received by the pass-through entity reporting mineral royalty withholding, pass-through withholding, and/or pass-through entity tax.** Attach a statement with the same information if the PTE received more than four Montana Schedules K-1 reporting mineral royalty withholding, pass-through withholding, and/or pass-through entity tax.

Entity Name	FEIN	A. Mineral royalty withholding received	B. Pass-through withholding received	C. Pass-through entity tax received
1 ABC LLC	X X X X X X X X	00	00	5000 00
2		00	00	00
3		00	00	00
4		00	00	00
<b>5 Totals</b>		00	00	5000 00

**Part II. Flow-through payment allocations (See instructions)**

Schedules K-1 subject to:

	A. Pass-through entity tax	B. Composite tax	C. Other
1 Sum of profit and loss percentage of all MT Schedules K-1 subject to applicable Column(s) A, B, and C	1 %	%	100.0000 %
2 Multiply total in Part I, Column A by percentage on line 1 for each column	2 0 00	00	00
3 Mineral royalty withholding passed to owners	3		00
4 Enter Column A, line 2 and Column B, line 2. Subtract Column C, line 3 from Column C, line 2. <b>Balance of mineral royalty withholding the PTE can claim as a credit.</b>	4 0 00	00	00
5 Multiply total in Part I, Column B by percentage on line 1 for each column	5 00	00	00
6 Pass-through withholding passed to owners	6		00
7 Enter Column A, line 5 and Column B, line 5. Subtract Column C, line 6 from Column C, line 5. <b>Balance of pass-through withholding the PTE can claim as a credit</b>	7 00	00	00
8 If Column A, line 1 is greater than 0%, enter the total from Part I, Column C	8 00		
9 If Column A, line 1 is 0%, multiply the total in Part I, Column C by Columns B and C, line 1	9	00	5000 00
10 <b>Total pass-through entity tax passed to owners</b>	10		5000 00
11 Enter Column B, line 9. Subtract Column C, line 10 from line 9. <b>Credit balance for PTE not electing to pay PTET</b>	11		00 00
12 Add lines 4, 7, 8, and 11 in each column. <b>Total payments the PTE can claim as a credit</b>	12 2000 00	00	00

**Part III. Authorized Representative:** Authorized to make PTET election for Tax Year 2023

Name	Title	Telephone Number	Email
John Doe	Grand Mammoth	1 5 2 2 6 3 2 2 5 5	JD@JD.com



\*23TT0301\*

Example 2:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning  and ending

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1			
		Pass-through Entity's Name Case 2			
		FEIN <input type="text"/>			
		Mailing Address			
		City <input type="text"/>	State <input type="text"/> ZIP Code <input type="text"/>		
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 1			
		Mailing Address			
		City <input type="text"/>	State <input type="text"/> ZIP Code <input type="text"/>		
		Owner Type <input type="checkbox"/> Resident <input checked="" type="checkbox"/> Nonresident			
		Special Allocations (See instructions)	Profit and loss percentage <input type="text" value="50.0000"/> %		
		The owner is included in a pass-through entity tax election	Capital/Ownership <input type="text" value="50.0000"/> %		
		Resident owner PTET election (See instructions)			
		The owner is included in a composite income tax return			
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments</b> (See worksheet on page 9)			
			<b>A. Everywhere</b>		
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>		<b>B. Montana</b>		
		1 Additions	3 000 00	00	
		2 Subtractions	00	00	
		1 Ordinary business income (loss)	250 000 00	156 750 00	
		2 Net rental real estate income (loss)	00	00	
		3 Other net rental income (loss)	00	00	
		4 Guaranteed payments	00	00	
		5 Interest income	00	00	
		6 Ordinary dividends	00	00	
		7 Royalties	00	00	
		8 Net short-term capital gain (loss)	00	00	
		9 Net long-term capital gain (loss)	00	00	
		10 Net section 1231 gain (loss)	00	00	
		11 Other income (loss) (include detailed statement)	00	00	
12 Section 179 expense deduction	00	00			
13 Other expense deductions	00	00			
14 Total distributive share (See instructions)	253 000 00	159 750 00			
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="text"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>			
		1 PTET paid on behalf of owner. (See instructions)	1 2 500 00		
		2 Montana composite income tax paid on behalf of owner	2 00		
		3a Montana income tax withheld on behalf of owner. (See instructions)	3a 8 283 00		
		3b Montana income tax withheld by a lower tier pass-through entity	3b 00		
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c 00		
4 Montana mineral royalty tax withheld	4 00				
5 Other information. List type <input type="text"/> and amount <input type="text"/>	5 00				
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>	
		1		00	
		2		00	
		3		00	
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)			
		1 Code <input type="text" value="1 A B"/> <input type="text" value="3 000 00"/> 2 Code <input type="text" value="00"/> 3 Code <input type="text" value="00"/>			
		4 Code <input type="text" value="00"/> 5 Code <input type="text" value="00"/> 6 Code <input type="text" value="00"/>			
		7 Code <input type="text" value="00"/> 8 Code <input type="text" value="00"/> 9 Code <input type="text" value="00"/>			



\*23TT1101\*

Example 2:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning MMDDYYYY and ending MMDDYYYY

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1			
		Pass-through Entity's Name Case 2			
		Mailing Address City _____ State _____ ZIP Code _____			
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 2			
		Mailing Address City _____ State _____ ZIP Code _____			
		Owner Type <input type="checkbox"/> Special Allocations (See instructions) <input checked="" type="checkbox"/> Resident <input type="checkbox"/> Nonresident			
		Profit and loss percentage	50.0000 %		
		Capital/Ownership	50.0000 %		
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments</b> (See worksheet on page 9)			
			<b>A. Everywhere</b>		
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>		<b>B. Montana</b>		
		1 Additions	3 000 00	00	
		2 Subtractions	00	00	
		1 Ordinary business income (loss)	250 000 00	156 750 00	
		2 Net rental real estate income (loss)	00	00	
		3 Other net rental income (loss)	00	00	
		4 Guaranteed payments	00	00	
		5 Interest income	00	00	
		6 Ordinary dividends	00	00	
		7 Royalties	00	00	
		8 Net short-term capital gain (loss)	00	00	
		9 Net long-term capital gain (loss)	00	00	
		10 Net section 1231 gain (loss)	00	00	
		11 Other income (loss) (include detailed statement)	00	00	
12 Section 179 expense deduction	00	00			
13 Other expense deductions	00	00			
14 Total distributive share (See instructions)	253 000 00	159 750 00			
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year _____ The owner is a Domestic 2nd tier PTE <input type="checkbox"/>			
		1 PTET paid on behalf of owner. (See instructions)	1 2 500 00		
		2 Montana composite income tax paid on behalf of owner	2 00		
		3a Montana income tax withheld on behalf of owner. (See instructions)	3a 00		
		3b Montana income tax withheld by a lower tier pass-through entity	3b 00		
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c 00		
4 Montana mineral royalty tax withheld	4 00				
5 Other information. List type _____ and amount	5 00				
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>	
		1		00	
		2		00	
			00		
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)			
		1 Code 1 A B	3 000 00	2 Code	00
		3 Code		4 Code	00
		5 Code		6 Code	00
		7 Code		8 Code	00



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### Example 3 – Resident Election With Flow-Through Payment Allocation, Overpayment

This example features a more complex partnership electing the PTET, making the Resident Election, receiving flow-through payments, including the PTET credit, and with one owner participating in a composite tax election.

The partnership has six partners; three are affected by the PTET, and three are not. One of the partners is a foreign corporation electing to pay composite tax.

Example 3 illustrates the effect of the Resident Election, the allocation of flow-through payments – including when MRW is pushed out – and how the three taxes of PT-WTH, composite tax, and the PTET can be assessed on the same return. It also illustrates an overpayment of the pass-through entity tax, which would possibly be income in the year the refund is received.

Form PTE

## 2023 Montana Pass-Through Entity Tax Return

Include a complete copy of all related federal forms and schedules.

Partnership  S corporation

P

Clear Form

Page 1 For calendar year 2023 or tax year beginning MMDD2023 and ending MMDDYYYY

**Mark all that apply:**

Initial return     Final return     Amended return     Refund return     PTP

PTET     Resident PTET

**Enter Number of:**

Schedules K-1 Included	6	Nonresident Owners	1
Resident Owners	1	Other Types of Owners	0

**Owners' Distributive Share of Income Items (federal Schedule K)**

1 Ordinary business income (loss)	1	100000	00
2 Net rental real estate income (loss) (include federal Form 8825)	2		00
3a Other gross rental income (loss)	3a	00	
3b Expenses from other rental activities (include detailed statement)	3b	00	
3 Subtract line 3b from line 3a.	3		00
4a Guaranteed payments: Services	4a	00	
4b Guaranteed payments: Capital	4b	00	
4 Add lines 4a and 4b	4		00
5 Interest income	5		00
6 Ordinary dividends	6		00
7 Royalties	7		00
8 Net short-term capital gain (loss) (include federal Schedule D)	8		00
9 Net long-term capital gain (loss) (include federal Schedule D)	9		00
10 Net section 1231 gain (loss) (include federal Form 4797)	10		00
11 Other income (loss) (include detailed statement)	11		00
12 Add lines 1 through 11 and enter result.	12		100000

**Owners' Distributive Share of Deduction Items (include federal Schedule K)**

13a Section 179 deduction (include federal Form 4562)	13a	00	
13b Contributions	13b	00	
13c Investment interest expense	13c	00	
13d Section 59(e)(2) expenditures (include detailed statement)	13d	00	
13e Other deductions (include detailed statement)	13e	00	
13 Add lines 13a through 13e and enter result.	13		00
14 Subtract line 13 from line 12.	14		00

**Montana Source Income**

15 Montana additions to the PTE's apportionable activities	15		00
16a Montana subtractions from the PTE's apportionable activities	16a	00	
16b Total everywhere income (loss) from federal Schedules K-1	16b	60000	00
16c Total everywhere income (loss) from disregarded entities	16c	00	
16d Other nonapportionable income (loss) from the PTE's own activities	16d	00	
16 Add lines 16a through 16d.	16		60000
17 Add lines 14 and 15, then subtract line 16.	17		40000
<b>Schedule I not required:</b> <input type="checkbox"/> 100% Montana activity <input type="checkbox"/> 0% Montana activity			
18 Income (loss) apportioned to Montana. Multiply line 17 x <span style="border: 1px solid black; padding: 0 5px;">60.0000</span> %	18		24000
19a Total Montana source income received from pass-through entities (Montana source income from MT Schedules K-1 issued to this entity)	19a	45000	00
19b Total Montana source income from Schedules VII	19b	00	
19c Nonapportionable income allocated to Montana. (See instructions)	19c	00	
19 Add lines 19a through 19c.	19		45000
20 Add lines 18 and 19; enter result.	20		69000

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Example 3:

Form PTE, Page 2 – 2023

FEIN

Prepayments	21 2023 payments	21	1000	00
	22 2022 overpayment applied to 2023	22		00
	23 Add lines 21 and 22. <b>Total prepayments</b>	23	1000	00
Pass-through Entity Tax and Composite Tax	24 Total taxable income subject to pass-through entity tax from all owners' MT Schedules K-1, Part 4, line 14 (see instructions)	24	46593	00
	25 Total pass-through entity tax from all owners' MT Schedules K-1, Part 5, line 1	25	3145	00
	26 Flow-Through Payments Schedule, Column A, line 12	26	2637	00
	27 Add lines 23 and 26, then subtract from line 25. <b>Pass-through entity tax due or (overpayment)</b>	27	-492	00
	28 Total composite tax from Schedule IV, Column H	28	12	00
	29 Flow-Through Payments Schedule, Column B, line 12	29	125	00
	30 Add lines 27 and 28, then subtract line 29. <b>Composite tax and pass-through entity tax due or (overpayment)</b>	30	-605	00
	31 Interest on underpayment of estimated tax (see instructions)	31		00
	32 Total pass-through withholding from all owners' MT Schedules K-1, Part 5, line 3a	32	369	00
	Pass-Through Withholding	33 PTE's tax liability resulting from an adjustment to partnership income (see instructions)	33	
34 Flow-Through Payments Schedule, Column C, line 12		34	363	00
35 Add lines 32 and 33, then subtract line 34. <b>Pass-through withholding and other partnership liability due or (overpayment)</b>		35	6	00
36 PTE information return late filing penalty		36		00
37 Add lines 30, 31, 35, and 36. <b>Total PTE taxes with interest and/or penalty</b>		37	-599	00
Amended Return	38 For amended returns only - previously issued refunds	38		00
	39 For amended returns only - payments made with original return	39		00
Penalty and Interest	40 Add lines 37 and 38, then subtract line 39.	40	-599	00
	41 Late payment penalty	41		00
	42 Interest	42		00
	43 Add lines 40 through 42. <b>Total tax, penalties, and interest</b>	43	-599	00
Amount Owed or Refund	44 If line 43 is more than zero, enter the amount here. <b>This is the amount you owe.</b>	44		00
	45 If line 43 is less than zero, enter the amount here. <b>This is your overpayment.</b>	45		00
	46 Enter the amount from line 45 that you want applied to your 2024 tax	46		00
	47 Subtract line 46 from line 45. <b>This is your refund.</b>	47	599	00

**Direct Deposit Your Refund**

1. RTN#  2. ACCT#

Complete 1, 2, 3, and 4. 3. If using direct deposit, you are required to mark one box.  Checking  Savings

(See instructions) 4. If this refund is going to an account that is located outside of the United States or its territories, mark here.

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Officer  Date  Printed Name and Title  Telephone Number

X

Print/Type Preparer's Name  Preparer's Signature  Date  PTIN

Firm's Name  Firm's Address  Telephone Number  Firm's FEIN

If you allow the DOR to discuss this tax return with your tax preparer, mark here.



\*23TT0201\*

Example 3:

**Flow-Through Payments Schedule**

**Part I. Montana Schedules K-1 received by the pass-through entity reporting mineral royalty withholding, pass-through withholding, and/or pass-through entity tax.** Attach a statement with the same information if the PTE received more than four Montana Schedules K-1 reporting mineral royalty withholding, pass-through withholding, and/or pass-through entity tax.

Entity Name	FEIN	A. Mineral royalty withholding received	B. Pass-through withholding received	C. Pass-through entity tax received
1 MRW LLC	X X X X X X X X	100 00	00	00
2 PTW LLC		00	1688 00	00
3 PTET LLC		00	00	1350 00
4		00	00	00
<b>5 Totals</b>		<b>100 00</b>	<b>1688 00</b>	<b>1350 00</b>

**Part II. Flow-through payment allocations (See instructions)**

Schedules K-1 subject to:

	A. Pass-through entity tax	B. Composite tax	C. Other
1 Sum of profit and loss percentage of all MT Schedules K-1 subject to applicable Column(s) A, B, and C	1 72.0000 %	7.0000 %	21.0000 %
2 Multiply total in Part I, Column A by percentage on line 1 for each column	2 72 00	7 00	21 00
3 Mineral royalty withholding passed to owners			12 00
4 Enter Column A, line 2 and Column B, line 2. Subtract Column C, line 3 from Column C, line 2. <b>Balance of mineral royalty withholding the PTE can claim as a credit.</b>	4 72 00	7 00	9 00
5 Multiply total in Part I, Column B by percentage on line 1 for each column	5 1215 00	118 00	354 00
6 Pass-through withholding passed to owners			00
7 Enter Column A, line 5 and Column B, line 5. Subtract Column C, line 6 from Column C, line 5. <b>Balance of pass-through withholding the PTE can claim as a credit</b>	7 1215 00	118 00	354 00
8 If Column A, line 1 is greater than 0%, enter the total from Part I, Column C	8 1350 00		
9 If Column A, line 1 is 0%, multiply the total in Part I, Column C by Columns B and C, line 1	9	00	00
10 <b>Total pass-through entity tax passed to owners</b>	10		00
11 Enter Column B, line 9. Subtract Column C, line 10 from line 9. <b>Credit balance for PTE not electing to pay PTET</b>	11	00	00
12 Add lines 4, 7, 8, and 11 in each column. <b>Total payments the PTE can claim as a credit</b>	12 2637 00	125 00	363 00

**Part III. Authorized Representative:** Authorized to make PTET election for Tax Year 2023

Name	Title	Telephone Number	Email
John Doe	Grand Mammoth	1 5 2 2 6 3 2 2 5 5	JD@JD.com



\*23TT0301\*

Example 3:

### Montana Schedule K-1 (PTE)

#### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning  and ending

<b>Part 1</b> PTE Information	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1					
	Pass-through Entity's Name Case 3	FEIN				
	Mailing Address City State ZIP Code					
<b>Part 2</b> Owner Information	Name Owner 2	FEIN				
	Mailing Address City State ZIP Code	OR SSN Beneficial owner FEIN or SSN				
	Owner Type <input type="checkbox"/> P <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident					
<input type="checkbox"/> Special Allocations (See instructions)		Profit and loss percentage	<input type="text" value="38.0000"/>	%		
<input checked="" type="checkbox"/> The owner is included in a pass-through entity tax election		Capital/Ownership	<input type="text" value="38.0000"/>	%		
<input type="checkbox"/> Resident owner PTET election (See instructions)						
<input type="checkbox"/> The owner is included in a composite income tax return						
<b>Part 3</b> Adj.	<b>Montana Adjustments</b> (See worksheet on page 9)	<b>A. Everywhere</b>	<b>B. Montana</b>			
	1 Additions	1	<input type="text" value="570.00"/>	<input type="text" value="285.00"/>		
	2 Subtractions	2	<input type="text" value="00"/>	<input type="text" value="00"/>		
<b>Part 4</b> Distributive Share of Montana Source Income (Loss)	1 Ordinary business income (loss)	1	<input type="text" value="38000.00"/>	<input type="text" value="22800.00"/>		
	2 Net rental real estate income (loss)	2	<input type="text" value="00"/>	<input type="text" value="00"/>		
	3 Other net rental income (loss)	3	<input type="text" value="00"/>	<input type="text" value="00"/>		
	4 Guaranteed payments	4	<input type="text" value="00"/>	<input type="text" value="00"/>		
	5 Interest income	5	<input type="text" value="00"/>	<input type="text" value="00"/>		
	6 Ordinary dividends	6	<input type="text" value="00"/>	<input type="text" value="00"/>		
	7 Royalties	7	<input type="text" value="00"/>	<input type="text" value="00"/>		
	8 Net short-term capital gain (loss)	8	<input type="text" value="00"/>	<input type="text" value="00"/>		
	9 Net long-term capital gain (loss)	9	<input type="text" value="00"/>	<input type="text" value="00"/>		
	10 Net section 1231 gain (loss)	10	<input type="text" value="00"/>	<input type="text" value="00"/>		
	11 Other income (loss) (include detailed statement)	11	<input type="text" value="00"/>	<input type="text" value="00"/>		
	12 Section 179 expense deduction	12	<input type="text" value="00"/>	<input type="text" value="00"/>		
	13 Other expense deductions	13	<input type="text" value="00"/>	<input type="text" value="00"/>		
	14 Total distributive share (See instructions)	14	<input type="text" value="38570.00"/>	<input type="text" value="23085.00"/>		
<b>Part 5</b> Supplemental Information	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="text" value=""/>	The owner is a Domestic 2nd tier PTE <input type="checkbox"/>				
	1 PTET paid on behalf of owner. (See instructions)	1	<input type="text" value="1558.00"/>			
	2 Montana composite income tax paid on behalf of owner	2	<input type="text" value="00"/>			
	3a Montana income tax withheld on behalf of owner. (See instructions)	3a	<input type="text" value="00"/>			
	3b Montana income tax withheld by a lower tier pass-through entity	3b	<input type="text" value="00"/>			
	3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c	<input type="text" value="00"/>			
	4 Montana mineral royalty tax withheld	4	<input type="text" value="00"/>			
5 Other information. List type <input type="text" value=""/> and amount <input type="text" value=""/>	5	<input type="text" value="00"/>				
<b>Part 6</b> Tax Credits	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>			
	1		<input type="text" value=""/>	<input type="text" value="00"/>		
	2		<input type="text" value=""/>	<input type="text" value="00"/>		
	3		<input type="text" value=""/>	<input type="text" value="00"/>		
<b>Part 7</b> PTE Use	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)					
	1 Code <input type="text" value="1A B"/>	<input type="text" value="570.00"/>	2 Code <input type="text" value="2A B"/>	<input type="text" value="285.00"/>	3 Code <input type="text" value=""/>	<input type="text" value="00"/>
	4 Code <input type="text" value=""/>	<input type="text" value="00"/>	5 Code <input type="text" value=""/>	<input type="text" value="00"/>	6 Code <input type="text" value=""/>	<input type="text" value="00"/>
	7 Code <input type="text" value=""/>	<input type="text" value="00"/>	8 Code <input type="text" value=""/>	<input type="text" value="00"/>	9 Code <input type="text" value=""/>	<input type="text" value="00"/>



\*23TT1101\*

Example 3:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning  and ending

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1					
		Pass-through Entity's Name Case 3					
		Mailing Address City <input type="text"/> State <input type="text"/> ZIP Code <input type="text"/>					
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 3					
		Mailing Address City <input type="text"/> State <input type="text"/> ZIP Code <input type="text"/>					
		Owner Type <input type="checkbox"/> C <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident					
		Special Allocations (See instructions)	Profit and loss percentage	12.0000 %			
		The owner is included in a pass-through entity tax election	Capital/Ownership	12.0000 %			
		Resident owner PTET election (See instructions)					
		The owner is included in a composite income tax return					
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments</b> (See worksheet on page 9)		<b>A. Everywhere</b>	<b>B. Montana</b>		
		1 Additions	1	180 00	90 00		
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>	2 Subtractions	2	00	00		
		1 Ordinary business income (loss)	1	12000 00	7200 00		
		2 Net rental real estate income (loss)	2	00	00		
		3 Other net rental income (loss)	3	00	00		
		4 Guaranteed payments	4	00	00		
		5 Interest income	5	00	00		
		6 Ordinary dividends	6	00	00		
		7 Royalties	7	00	00		
		8 Net short-term capital gain (loss)	8	00	00		
		9 Net long-term capital gain (loss)	9	00	00		
		10 Net section 1231 gain (loss)	10	00	00		
		11 Other income (loss) (include detailed statement)	11	00	00		
		12 Section 179 expense deduction	12	00	00		
		13 Other expense deductions	13	00	00		
	14 Total distributive share (See instructions)	14	12180 00	7290 00			
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="text"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>					
		1 PTET paid on behalf of owner. (See instructions)	1	00			
		2 Montana composite income tax paid on behalf of owner	2	00			
		3a Montana income tax withheld on behalf of owner. (See instructions)	3a	00			
		3b Montana income tax withheld by a lower tier pass-through entity	3b	00			
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c	00			
	4 Montana mineral royalty tax withheld	4	12 00				
	5 Other information. List type <input type="text"/> and amount <input type="text"/>	5	00				
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>			
		1		00			
		2		00			
	3		00				
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)					
		1 Code 1 A B	180 00	2 Code 2 A B	90 00	3 Code	00
		4 Code	00	5 Code	00	6 Code	00
		7 Code	00	8 Code	00	9 Code	00



\*23TT1101\*

Example 3:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning MMDDYYYY and ending MMDDYYYY

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1							
		Pass-through Entity's Name Case 3							
		Mailing Address City _____ State _____ ZIP Code _____							
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 4							
		Mailing Address City _____ State _____ ZIP Code _____							
		Owner Type <input type="checkbox"/> F <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident							
		Special Allocations (See instructions) <input type="checkbox"/> Profit and loss percentage 7.0000 % The owner is included in a pass-through entity tax election <input type="checkbox"/> Capital/Ownership 7.0000 % Resident owner PTET election (See instructions) <input type="checkbox"/> The owner is included in a composite income tax return <input type="checkbox"/>							
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments (See worksheet on page 9)</b>							
		<b>A. Everywhere</b>	<b>B. Montana</b>						
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>	1 Additions	105 00	53 00					
		2 Subtractions	00	00					
		1 Ordinary business income (loss)	7000 00	4200 00					
		2 Net rental real estate income (loss)	00	00					
		3 Other net rental income (loss)	00	00					
		4 Guaranteed payments	00	00					
		5 Interest income	00	00					
		6 Ordinary dividends	00	00					
		7 Royalties	00	00					
		8 Net short-term capital gain (loss)	00	00					
		9 Net long-term capital gain (loss)	00	00					
		10 Net section 1231 gain (loss)	00	00					
		11 Other income (loss) (include detailed statement)	00	00					
		12 Section 179 expense deduction	00	00					
		13 Other expense deductions	00	00					
14 Total distributive share (See instructions)	7105 00	4253 00							
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year _____ The owner is a Domestic 2nd tier PTE <input type="checkbox"/>							
		1 PTET paid on behalf of owner. (See instructions)	00						
		2 Montana composite income tax paid on behalf of owner	12 00						
		3a Montana income tax withheld on behalf of owner. (See instructions)	00						
		3b Montana income tax withheld by a lower tier pass-through entity	00						
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	00						
4 Montana mineral royalty tax withheld	00								
5 Other information. List type _____ and amount 5 _____	00								
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>		<b>Credit Authorization Number</b>		<b>Amount of credit</b>			
		1						00	
		2						00	
		3						00	
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)							
		1 Code 1 A B	105 00	2 Code 2 A B	53 00	3 Code		00	
		4 Code	00	5 Code	00	6 Code		00	
		7 Code	00	8 Code	00	9 Code		00	



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Example 3:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning  and ending

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1					
		Pass-through Entity's Name Case 3					
		Mailing Address City <input type="text"/> State <input type="text"/> ZIP Code <input type="text"/>					
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 5					
		Mailing Address City <input type="text"/> State <input type="text"/> ZIP Code <input type="text"/>					
		Owner Type <input type="checkbox"/> F <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident					
		Special Allocations (See instructions)	Profit and loss percentage	9.0000 %			
		The owner is included in a pass-through entity tax election	Capital/Ownership	9.0000 %			
		Resident owner PTET election (See instructions)					
		The owner is included in a composite income tax return					
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments</b> (See worksheet on page 9)		<b>A. Everywhere</b>	<b>B. Montana</b>		
		1 Additions	1	135 00	68 00		
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>	2 Subtractions	2	00	00		
		1 Ordinary business income (loss)	1	9000 00	5400 00		
		2 Net rental real estate income (loss)	2	00	00		
		3 Other net rental income (loss)	3	00	00		
		4 Guaranteed payments	4	00	00		
		5 Interest income	5	00	00		
		6 Ordinary dividends	6	00	00		
		7 Royalties	7	00	00		
		8 Net short-term capital gain (loss)	8	00	00		
		9 Net long-term capital gain (loss)	9	00	00		
		10 Net section 1231 gain (loss)	10	00	00		
		11 Other income (loss) (include detailed statement)	11	00	00		
		12 Section 179 expense deduction	12	00	00		
		13 Other expense deductions	13	00	00		
	14 Total distributive share (See instructions)	14	9135 00	5468 00			
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="text"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>					
		1 PTET paid on behalf of owner. (See instructions)	1		00		
		2 Montana composite income tax paid on behalf of owner	2		00		
		3a Montana income tax withheld on behalf of owner. (See instructions)	3a		369 00		
		3b Montana income tax withheld by a lower tier pass-through entity	3b		00		
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c		369 00		
	4 Montana mineral royalty tax withheld	4		00			
	5 Other information. List type <input type="text"/> and amount <input type="text"/>	5	00	00			
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>			
		1		00			
		2		00			
	3		00				
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)					
		1 Code 1 A B	135 00	2 Code 2 A B	68 00	3 Code	00
		4 Code	00	5 Code	00	6 Code	00
		7 Code	00	8 Code	00	9 Code	00



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Example 3:

## Montana Schedule K-1 (PTE)

### Owner's Share of Income (Loss), Deductions, Credits, etc.

For the calendar year 2023, or tax year beginning  and ending

<b>Part 1</b>	<b>PTE Information</b>	Mark applicable boxes: <input type="checkbox"/> Amended Schedule K-1 <input type="checkbox"/> Final Schedule K-1			
		Pass-through Entity's Name Case 3			
		FEIN <input type="text"/>			
		Mailing Address			
		City <input type="text"/>	State <input type="text"/> ZIP Code <input type="text"/>		
<b>Part 2</b>	<b>Owner Information</b>	Name Owner 6			
		Mailing Address			
		City <input type="text"/>	State <input type="text"/> ZIP Code <input type="text"/>		
		Owner Type <input type="checkbox"/> T <input type="checkbox"/> Resident <input checked="" type="checkbox"/> Nonresident			
		FEIN <input type="text"/>	OR <input type="text"/>		
		SSN <input type="text"/>	Beneficial owner		
		FEIN <input type="text"/>	or SSN <input type="text"/>		
		Profit and loss percentage	<input type="text" value="27.0000"/> %		
		Capital/Ownership	<input type="text" value="27.0000"/> %		
<b>Part 3</b>	<b>Adj.</b>	<b>Montana Adjustments</b> (See worksheet on page 9)			
<b>Part 4</b>	<b>Distributive Share of Montana Source Income (Loss)</b>		<b>A. Everywhere</b>	<b>B. Montana</b>	
		1 Additions	1 405 00	203 00	
		2 Subtractions	2 00	00	
		1 Ordinary business income (loss)	1 27000 00	16200 00	
		2 Net rental real estate income (loss)	2 00	00	
		3 Other net rental income (loss)	3 00	00	
		4 Guaranteed payments	4 00	00	
		5 Interest income	5 00	00	
		6 Ordinary dividends	6 00	00	
		7 Royalties	7 00	00	
		8 Net short-term capital gain (loss)	8 00	00	
		9 Net long-term capital gain (loss)	9 00	00	
		10 Net section 1231 gain (loss)	10 00	00	
		11 Other income (loss) (include detailed statement)	11 00	00	
12 Section 179 expense deduction	12 00	00			
13 Other expense deductions	13 00	00			
14 Total distributive share (See instructions)	14 27405 00	16403 00			
<b>Part 5</b>	<b>Supplemental Information</b>	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="text"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>			
		1 PTET paid on behalf of owner. (See instructions)	1 1107 00		
		2 Montana composite income tax paid on behalf of owner	2 00		
		3a Montana income tax withheld on behalf of owner. (See instructions)	3a 00		
		3b Montana income tax withheld by a lower tier pass-through entity	3b 00		
		3c Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	3c 00		
4 Montana mineral royalty tax withheld	4 00				
5 Other information. List type <input type="text"/> and amount <input type="text"/>	5 00				
<b>Part 6</b>	<b>Tax Credits</b>	<b>Credit Code</b>	<b>Credit Authorization Number</b>	<b>Amount of credit</b>	
		1		00	
		2		00	
		3		00	
<b>Part 7</b>	<b>PTE Use</b>	<b>Montana Adjustments Detail:</b> Enter the amount and code of each adjustment entered on Part 3. (See instructions)			
		1 Code 1 A B	405 00	2 Code 2 A B	203 00
		3 Code		4 Code	00
		4 Code	00	5 Code	00
		6 Code		7 Code	00
7 Code	00	8 Code	00		
8 Code		9 Code	00		
9 Code	00				



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