



Governor Stan Stephens

1992 MONTANA

Long Form 2
Short Form 2S
Form 2A
Form 2EC
Form 2A-Cont.

Individual Income Tax Booklet

Dear Montana Taxpayers:

It's again time to file your individual income tax return. In order to facilitate the task, we are providing this booklet containing forms and instructions needed by most taxpayers. I would like to take this opportunity to highlight significant changes for the 1992 tax return.

- (1) **Two new tax credits** are available: a) eligible wood pellet or a biomass pellet combustion devices (complete Form ENRG-B), and b) Recycled material (complete Form RCYL).
- (2) A **2.3% surtax** is in effect for tax year 1992.
- (3) **Nonresident and part-year resident taxpayers'** allowable deductions and tax calculations have changed (refer to Form 2A, Schedules III and IV).
- (4) An area provided on the back of Form 2 and 2S will allow us to contact your preparer to help resolve questions which may arise in reviewing your return. This change is at the request of the **Montanans' for Improving Tax Administration** and is consistent with our interest of improving our service to you.

Another important reminder: the payment of estimated individual income tax is now required to be paid in four installments beginning with the **1993 tax year**. Detailed information is included in this booklet.

If you have questions or need help completing your return, please contact the Income and Miscellaneous Tax Division. Their phone number is (406) 444-2837.

Sincerely,

A handwritten signature in cursive script that reads "Denis L. Adams".

Denis Adams
Director



New items are highlighted and marked with an arrow **NEW** throughout the booklet. They are:

- | | | | |
|------------------------------------|-------------|---|---------|
| 1) 2.3% Surtax | Page 7 | 4) Credit for Wood pellet or biomass pellet | Page 10 |
| 2) Estimated Individual income tax | Page 8 | 5) Credit for recycled material | Page 10 |
| 3) Nonresident computations | Pages 13-14 | | |

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Income Tax Division
Montana Dept. of Revenue
P. O. Box 5805
Helena, MT 59604-5805

FOR ASSISTANCE
CALL
(406) 444-2837
This is not a toll free number



Forms Included in Tax Booklet

Form No.	Revised	Description
2S	92	Individual Income Tax Return Short Form
2	92	Individual Income Tax Return Form
2A	92	Itemized Deductions & Tax Credits
2A-Cont.	92	Other State Credits & Investment Credits

Form No.	Revised	Description
2 EC	92	Elderly Homeowner or Renter Credit
SS	92	Social Security Worksheet
CCV	92	Credit Card Voucher
EST	92	Estimated Tax
CCV	90	Credit Card Voucher

Forms Available Upon Request

Form No.	Revised	Description
2S	92	Individual Income Tax Return Short Form
2	92	Individual Income Tax Return Form
2A	92	Itemized Deductions & Tax Credits
ENRG-B	92	Credit for Nonfossil/Biomass/Geothermal Energy Systems
ENRG-C	90	Credit for Energy Conservation Installation
2EC	92	Elderly Homeowner or Renter Credit
2X	92	Amended Montana Individual Income Tax Return
EXT	92	Application for 6 Month Extension
IND	89	Indian Certification
NR2	83	Employee Certificate of North Dakota Residence
ECC	92	Elderly Care Credit
CCV	90	Credit Card Voucher
DCAC	92	Dependent Care Assistance Credit
RCYL	92	Credit for Recycling

Some forms are available at most banks, courthouses, libraries and post offices.

Form No.	Revised	Description
NR1	92	Affidavit (North Dakota Resident's Claim for Exemption under Montana-North Dakota Reciprocity Agreement)
FID-3	92	Montana Fiduciary Return and Instructions
2441M	92	Child and Dependent Care Expenses
PR-1	92	Partnership Distribution Schedule
CC	92	College Contribution Credit
HI	92	Health Insurance for Uninsured Montanans Credit
EST	92	Estimated Individual Income Tax Booklet
DS-1	92	Disability Income Exclusion Form
NOL-1	92	Montana Net Operating Loss Form
ECT	89	Property Tax Certification Form
SS	92	Social Security Worksheet
2WPC	83	Credit for Wind Energy Producers
RIC	92	Recapture Investment Credit

Who Must File—FULL YEAR RESIDENTS

Refer to the table below to see if you are required to file.

Marital & Filing Status	Age as of December 31, 1992	You must file if your gross income was:
Single or Head of Household, or Married Filing Separate	Under 65	\$1,700 or more
	65 or older	\$3,060 or more
Married Filing a Joint Return	Both under 65	\$3,400 or more
	One spouse 65 or older	\$4,760 or more
	Both spouses 65 or older	\$6,120 or more

Residents of Montana (Full-Year).

You are taxed on all income earned in 1992—regardless of where you earned it. You are a Montana resident if you live in Montana or if you maintain a permanent home in Montana. You don't lose your residency when you leave the state temporarily. You lose your Montana residency **only** when you establish permanent residence out-of-state.

Nonresidents and Part-Year Residents

You must file a 1992 Montana individual income tax return if you had income from Montana source(s).

Other Filing Information

—Montana statute of limitations is five years. Normally records should be kept during this time. Records for basis of property and carryforwards may need to be kept longer.

—Part of your Social Security benefits may be subject to Montana tax. Complete the worksheet in this booklet to determine taxable portion of Social Security.

—If you're responsible for the financial affairs of a deceased person, you must file a return for the deceased if his/her income prior to death exceeds the minimum filing requirements. If the deceased taxpayer was married, a joint return can be filed. This would include the income of the deceased spouse from the beginning of the year to the date of death and the income of the surviving spouse for the entire tax year.

—A Montana Fiduciary Return (Form FID-3) must be filed for the deceased person. This would include income received from the date of death for the balance of the estate tax year. An estate or trust cannot be filed on Form 2.

—Montana residents whose only North Dakota income is wages don't have to pay North Dakota income tax. North Dakota does require that you file an information return (Form NW-R). You can obtain Form NW-R from:

Office of State Tax Commissioner
State Capitol
Bismarck, North Dakota 58505

—North Dakota residents who had Montana state income tax withheld on income earned in Montana, can get a refund under the Montana-North Dakota Reciprocal Agreement. File a Montana income tax return (Form 2) with Montana NR-1 affidavit. You can get both forms from the Montana State Income Tax Division.

Regular Armed Forces

Military pay is not taxable to Montana but must be reported.

Armed Forces Reserve/National Guard

Income is taxable to Montana.

Indian on an Indian Reservation

See page 6, line 32 or page 10 line 20.

S Corporation Election

If you are a new Montana corporation and have elected Federal S Corporation status, you are treated as a small business corporation for Montana income tax purposes. Remember, you must include the net income or loss in the adjusted gross income of the shareholders who file individually. (See page 4 of instructions for more information.)

Amended Returns

If you made an error or want to change your original filing, file an amended return on Montana Form 2X.

Tax Preparer Contact

To streamline resolving our questions related to your return, we have included an area for you to authorize the Department to contact your preparer. Your initials in the box(es) on the back of Form 2 and Form 2S significantly speed the processing of your return. If you are filing jointly or married filing separate on the same form, **both spouses** must initial the boxes. If you initial these boxes, the Department may contact the preparer or you for additional information. You will however, continue to receive notification of any formal adjustments made to your tax liability. The Department is implementing this new procedure at the request of the **Montanans' for Improving Tax Administration (MITA)**.

NEW

Which form should I use?

Short Form

You may file Form 2S (Short Form) if you answer "yes" to **all** of the following:

- You were a Montana resident for **all** of 1992.
- You are either single, head of household, or married filing a joint return.
- You wish to use **only** the standard deduction or federal income tax paid or withheld. (To itemize further use Forms 2 and 2A).
- The **only** tax credit you have is Homeowner/Renter Credit.
- Your **only** income is from one or more of the following: wages, pensions and annuities, interest and dividends, fees (such as jury duty), alimony, taxable unemployment pay, winnings, prizes, awards, other miscellaneous income.

Long Form

You **must** file the long form (Form 2), if you answer "yes" to **any** of the following:

- You were a resident of Montana for only part of 1992.
- You were a nonresident of Montana with income from Montana sources.
- You are married, filing a separate return.
- You are using an itemized deduction schedule.
- Your income includes any of the following: income from business or profession, rents, royalties, partnerships, trust or S corporation income, capital gain(s), tax credits.

When to File

Your return for calendar year 1992 must be **postmarked** before midnight April 15, 1993. If you operate on a fiscal year, your return must be **postmarked** before midnight the 15th day of the fourth month following the close of your fiscal year.

Where to File

Income Tax Division
Montana Dept. of Revenue
P. O. Box 5805
Helena, MT 59604-5805

If You File or Pay Late

You will be subject to a late file penalty of 5% of your unpaid tax (a minimum amount of \$5) on all late returns filed. In addition, you will be subject to a 10% late pay penalty on the unpaid tax (a minimum of \$5). When filing after the due date, you will be subject to interest charges at 3/4% per month (.0075) on the unpaid balance. These interest and penalty charges can be avoided by filing your return with full payment on or before April 15, 1993.

Note: If you and your spouse filed separately, penalties and interest are calculated on each separate tax liability.

Extension of Time to File

Note: Legislation has changed the requirements to obtain a Montana extension. The law provides that to apply for an extension of time for filing a return, you must have paid by estimated tax payments, withholding tax, or a combination of both, either: 1) **95 percent** of your current year's total tax liability or 2) **100 percent** of your previous year's total tax liability. Detailed instructions on Form EXT-92.

A copy of the federal extension will not be accepted nor will telephone requests for extensions be accepted. A six month extension for filing must be obtained by submitting form EXT-92. Use of this form is necessary to report the amount you and/or your spouse expect to owe. If required, attach your remittance to the Montana extension form.

An extension of time to file your return is **not** an extension of time to pay. If you still owe money after you subtract your withholding, estimated payments and some credits and do not meet the above requirements, a late pay penalty of 10% of the unpaid tax (a minimum of \$5.00) will be assessed. When filing a tax return with an extension, interest must be added to any tax due at a rate 3/4% per month (.0075), computed from the original due date of the return.

When filing a calendar year return, **your extension request must be postmarked on or before April 15, 1993.** For a fiscal year filer, extension requests must be postmarked by the 15th day of the fourth month following the close of your fiscal year.

Introductory**Name, Address, and Social Security Number**

Each year we mail Montana Individual Income Tax forms to taxpayers who filed returns the previous year. If you have indicated you don't need forms and instruction booklets, you will receive a postcard with an addressed label.

If you didn't receive a booklet or a postcard with a removable label, print or type your name, address, and social security number in the appropriate spaces.

If married, fill in name and social security number for both you and your spouse. Montana law requires all individuals who file a tax return include their social security number.

Filing Status (Check the appropriate box)

Note: Married persons with different residency statuses cannot file on the same form. For additional information please call the Department.

Box 1 Single. Use Column A.

Box 2 Married, Filing Joint Return. Use Column A.

Note: (Married couples who both have taxable income normally receive a tax benefit by filing separate. See box 3 or 4.)

You and your spouse can file a joint return even though one of you has no income or deductions. Your joint return must include all income and deductions for both.

Box 3 Married, Filing Separate Returns on the Same Form. Use Columns A and B.

If both you and your spouse had income in 1992, you can file separate returns. Each of you must claim your own income, deductions, and exemptions. If one itemizes deductions, so must the other. Be sure each signs the return.

Box 4 Married, Filing Separate Returns on Separate Forms. Use Column A.

If you and your spouse want to receive your own refund or pay your own tax, or if you have different residency status you must file separate returns on separate income tax forms.

Box 5 Married, Filing Separate Return and Spouse is not Filing. Use Column A.

A spouse who had any gross income (or was claimed as a dependent by another taxpayer) can't be claimed as an exemption deduction.

Box 6 Head of Household: (Box 3 of Form 2S)

If you qualify for Federal purposes you may file your Montana return as head of household (**Attach Federal Form pages 1 and 2**).

Residency Status (Check the appropriate box)

Box 1 Full-Year Resident

Check this box if you were a Montana resident in 1992 (even though you may have been out of the state temporarily during the year). Include income from all sources, both inside and outside of Montana.

Box 2 Full-Year Nonresident

Check this box if you were not a Montana resident for any of the 1992 tax year. (See instructions pages 13-14.)

Box 3 Part-Year Resident

Check this box if you established or ended your Montana residency during the tax year. Be sure to give the date you changed your residency. (See instructions pages 13-14.)

Exemptions

Line 1—Yourself

You may take one exemption. (Students: take one exemption even though you are claimed as a dependent on your parents' return.) Two exemptions if blind **or** 65 or over, three exemptions if blind **and** 65 or over.

Line 2—Your Spouse

If you file a joint return you may take one exemption for your spouse. Take two exemptions if your spouse is blind **or** 65 or over, three exemptions if your spouse is blind **and** 65 or over.

Line 3—Children and Other Dependents

You're entitled to one exemption for each person who qualifies as a dependent. To qualify as a dependent, a person must meet the following requirements:

A. Income

The dependent must have less than **\$1,360** gross income. This requirement doesn't have to be met if your child was under 19 or a full-time student under age 24 for at least five months of the year.

B. Support

The dependent must have received over half of his or her support from you. If you file a joint return, the support can be from you or your spouse.

C. Married Dependent

The dependent must not have filed a joint return with his/her spouse.

D. Citizenship or Residence

The dependent must meet the federal requirement for citizenship or residence.

E. Relationship

The dependent must meet at least one of the requirements listed below:

1. Be related to you (or your spouse if you're filing a joint return) in one of the following ways:

*Child	Stepbrother	Son-in-law
Stepchild	Stepsister	Daughter-in-law
Mother	Stepmother	or, if related by blood:
Father	Stepfather	Uncle
Grandparent	Mother-in-law	Aunt
Brother	Father-in-law	Nephew
Sister	Brother-in-law	Niece
Grandchild	Sister-in-law	

2. Must have lived in your home as a member of your household for the whole year (includes foster child).

*Includes a child placed in your home by an authorized legal adoption agency.

Line 4—Handicapped dependent children

You're entitled to an additional exemption for a handicapped child provided the handicapped child is:

1. Claimed as a regular exemption; and
2. At least 50% permanently disabled as certified by a physician. **A copy of the physician's certification must be submitted with your return each year.**

Line 5—Total number in boxes, columns A and B

RESIDENTS

Line-By-Line Instructions for Form 2

Instructions for filing Form 2S see pages 11 and 12.

Income Reported on Federal Return

Lines 6 through 17—

Enter all items of income you reported on your Federal Income Tax return. This includes the portion of Social Security income that is taxable for federal purposes. Attach copies of applicable schedules.

Note: Married persons filing separate must prorate income, based on percentage of ownership.

Adjustments from Income—

Please specify the adjustment.

Line 19

Individual Retirement Account (IRA)—Enter the amounts from lines 24a and 24b of Federal 1040, **or** lines 15a and 15b of Federal 1040A on line 19 of Form 2.

If your filing status for Federal **and** State is the same no adjustment will be necessary on line 23 or line 32.

Note:

If your filing status on Federal is married filing joint, **and** on your Montana return you checked Box 3 or 4, married and both filing separate, you may have to make an adjustment on line 23. Your allowable IRA deduction for Montana may be different than your Federal IRA deduction.

One half of Self Employment Tax—Enter amount from line 25 of Federal 1040.

Self employed health insurance deduction—Enter amount from line 26 of Federal 1040.

Keogh/SEP—Enter amount from line 27 of Federal 1040.

Other—Penalty on early withdrawal of savings—enter amount from line 28 of Federal 1040.

Alimony—Enter amount from line 29 of Federal 1040.

Line 20—Subtract line 19 from line 18 to arrive at your Federal adjusted gross income. Total of column A and B must agree with Federal adjusted gross income.

Modifications to Income

You may have to adjust the total income you reported on line 20 to determine the amount you should report on line 35 as Montana adjusted gross income.

Additions to Income

Line 21—Include interest income from bonds and other obligations of other states or their political subdivisions. Interest income from Montana bonds is *not* taxable.

Line 22—Your federal refund is income in 1992 if you itemized deductions on your Montana return last year, and used federal withholding/estimates as deduction(s) or filed a Form 2S in 1991 and used your federal tax as a deduction.

Caution: Do not include any portion of your federal refund that is due to earned income credit.

Additions to Income (continued)

Line 23—Other Additions:

Passive and Rental Losses

Married couples who file a joint federal return and file separate Montana returns are required to make an adjustment if they deduct rental losses. Under present federal law, married couples who lived together during 1992 and file separate Montana returns are not eligible for the real estate exclusion of up to \$25,000.

When filing separate returns, the allowable losses for couples must be reported by the person who owns the property. If it is held jointly, the income/loss must be split according to legal ownership in the property.

If you filed a joint federal return and a separate Montana return, make the following adjustment: Enter on line 23 the amount of federal passive loss reported on line 12.

Any excess loss must be carried forward and applied against future passive income. Your federal and Montana passive loss carryforwards may be different if your filing status on Federal is different from Montana. It would be helpful to complete and attach a separate federal form 8582 for Montana when filing joint on federal and separate on state.

IRA Deductions

If you are married and file joint on both your federal and state returns, **no adjustments are required.**

If you filed separate on federal and joint on state use the federal worksheet. This will determine your allowable IRA deduction for Montana. Compare the amount from the federal worksheet with the amount on line 19 Form 2. If the amount on line 19 is greater, enter the difference on line 23. If the amount is less, enter the difference on line 32.

Note: You may wish to complete a separate Federal Form 8606 with information for Montana purposes. Keep this for your records.

If you filed married filing joint on your federal return and changed to married filing separate on your Montana return, and:

- | | |
|--|--|
| IF | YOUR IRA DEDUCTION IS: |
| 1. You or your spouse are not covered by a retirement plan at work | The same as federal up to a maximum of \$2,000; except for the nonworking spousal IRA of which you must add back on Line 23. |
| OR IF | |
| 2. You or your spouse are covered by a retirement plan and: | |
| A. Your Federal adjusted gross income is \$10,000 or over | Zero
Your IRA deduction taken on line 19 must be added back on line 23. You are not allowed an IRA deduction. |
| B. Your Federal adjusted gross income is under \$10,000 | Go to the worksheet |

IRA Worksheet

	Column A	Column B
1. Phase out amount	\$10,000	\$10,000
2. Enter: Your Federal adjusted gross income before federal IRA contributions.	_____	_____
3. Subtract line 2 from line 1	_____	_____
4. Multiply line 3 by 20% (.20).	x .2	x .2
5. Maximum allowable IRA deduction. If the result is less than \$200, but more than zero, enter \$200.	_____	_____
6. Enter: IRA amount from line 19, Form 2	_____	_____
7. Enter: Lesser of line 5 or 6	_____	_____
8. Subtract line 7 from line 6 and enter this amount on line 23, Form 2.	_____	_____

This is the non deductible portion of your IRA for Montana purposes.

If you are married, filing separate returns and lived apart from your spouse the entire year, you will be treated as single individuals.

Social Security

Complete the **Social Security** worksheet, (Form SS) found in this booklet, after completing the retirement worksheet on page 5. If the portion of your benefits taxable to Montana is greater than the portion taxable to Federal, enter the difference on line 23 Form 2.

Independent Liability Funds

If you received distribution of principal from an independent liability fund, you must report the amounts received if you previously took a deduction for the contribution.

Capital Loss

If you and your spouse file separately, you must claim your own **capital loss** which is limited to \$1,500 each.

S Corporation Income & Losses

If you are a shareholder in a Federal S Corporation, AND:

- | | |
|--|--|
| IF | YOUR MONTANA INCOME IS: |
| 1. Your corporation is a federal S corporation which is doing business in Montana. | Same as federal (no change) |
| 2. Your corporation is a federal S corporation which is doing business in Montana and elected C corporation status for Montana purposes prior to 1/1/92. | Report only the dividends actually received and add back any income or losses included in line 18. |
| 3. Your S Corporation does not do business in Montana. | Same as federal (no change) |

If you fall into either category #1 or #2 and your S Corporation pays federal tax on excess capital gains, you are required to add to your Montana income your shareholder's percentage of the federal tax. Questions? Call (406) 444-2837

Allocation of Income See special information on page 6, line 32.

Montana Net Operating Losses

If your net operating loss for federal and for Montana differ, add your federal net operating loss on line 23 and subtract your Montana net operating loss on line 32.

Only those federal taxes paid on income that is taxable to Montana are allowed in the calculation of a Montana net operating loss.

Dependent Care Assistance Credit—If you took dependent care assistance as a deduction on Federal Schedule C and will be taking the Montana dependent care assistance credit, you must add back the amount of assistance deduction that the credit is based on.

Reductions of Income

Line 26—If you had an installment sale(s) of a capital asset(s) which you entered into before January 1, 1987 you may be able to take a capital gain exclusion of 40%. Compute your exclusion on the worksheet below.

If Federal Schedule D line 19 is negative, you are not allowed a capital gain exclusion. Do not proceed any further.

Capital Gain Worksheet

1. Enter the amounts from Federal Schedule D lines 11, 13 and 15 which pertain to installment sales entered into before January 1, 1987. _____
2. Enter amount from line 17g of Federal Schedule D. _____
3. Divide line 1 by line 2 (cannot be greater than 100%) _____
4. Enter the smaller of line 18 or 20 from Federal Schedule D, but not less than zero. _____
5. Multiply the amount on line 4, times the percentage on line 3:

$$\text{_____} \times \text{_____} \% = \text{_____}$$
6. Multiply amount on line 5 times 40% — this is your Montana capital gains deduction. Enter on line 26 Form 2. _____

Line 27—Interest Exclusion for Elderly—If you're 65 or older, and filing single, separately, or head of household, you may exclude up to \$800 of interest income. You may deduct up to \$1,600 if filing jointly.

Note: If you're married filing separately, only the spouse 65 or older can exclude up to \$800 interest. However, if you file a joint return you're allowed to exclude up to \$1,600 even if only one of you is 65 or older. If you're married and both 65 or older, you're each allowed to exclude up to \$800 interest when filing separately or jointly. **The amount on line 27 cannot exceed the total amounts on line 7 and line 21.**

Line 28—Exempt Interest Income—Interest income received on obligations of the United States Government is exempt from Montana income tax if the following conditions are met: the instruments must be written documents, bear interest, and contain a binding promise by the United States to pay **specified sums at specified dates**. They must also contain specific Congressional Authorization which pledges the full faith and credit of the United States in support of the promise to pay. If any one of these conditions is not met, the interest from the obligation is taxable to Montana. Obligations that are taxable include GNMA's and FNMA's.

Treatment of Retirement Income

Line 29—Exempt retirement income. Attach copy of 1099R.

The 1991 Legislature passed a bill providing a uniform pension exclusion of up to \$3,600. To see if you qualify for the exclusion, you must complete the retirement worksheet on this page.

The exception to this law is Railroad Retirement benefits, Tier I and Tier II, received from the Railroad Retirement Board. These benefits are fully exempt from Montana taxation.

If you have a disability pension, use the disability pension worksheet Form DS-1. This worksheet is available by calling the Department of Revenue.

If your federal adjusted gross income on line 20 of Form 2 is less than \$30,000, enter the **smaller** of your total retirement income or \$3,600 on Form 2, line 29. If you filed married filing separate, the \$30,000 limit applies to each spouse separately.

If your federal adjusted gross income on line 20 of Form 2 is larger than \$30,000, calculate your retirement exclusion using the worksheet below.

Premature distributions/early withdrawals **do not** qualify for a retirement exclusion under the new law.

Retirement Worksheet

	COL A	COL B
1. Enter your federal adjusted gross income from line 20.		
2. Phase-out limitation	30,000	30,000
3. If line 1 is smaller than line 2, enter on Form 2 line 29: (A) the smaller of each retirement income or (B) \$3,600 for each person who has retirement income. Stop Here , you do not need to complete the remainder of this worksheet. IF line 1 is larger than line 2, subtract line 2 from line 1 & enter the result.		
4. Fill Out Only One. If your filing status is: <ol style="list-style-type: none"> a. Single or Joint and only you or your spouse has retirement income; enter your retirement income or \$3,600, whichever is smaller. b. Married Filing Separately; enter 1) each spouse's retirement income, or 2) \$3,600 in column A & B, whichever is smaller. c. Joint and both you and your spouse have retirement incomes: 1st, enter each spouse's total retirement income or \$3,600, whichever is smaller, on the following lines: (His) _____ (Hers) _____ 2nd, enter the total of the two lines. 		
5. Multiply the amount on line 3 times two (× 2) and enter the result.		
6. Retirement Exclusion. Subtract line 5 from line 4a, 4b or 4c, whichever applies to you. If the result is zero or negative, you are not eligible for a retirement exclusion. If the number is positive, this is your retirement exclusion. Transfer this number to line 29 on Form 2.		

Treatment of Civil Service Amended Refunds

District Judge Sherlock sustained the Department's position by denying plaintiffs' motion for summary judgement. This decision has the effect of denying refund claims filed by federal civil service and military pensioners related to years 1988 and earlier. An appeal to the Montana Supreme Court was found in favor of the Department. That decision is being appealed to the U.S. Supreme Court. There will be no refunds on this issue until the Department has a final decision from the courts.

Line 30—Unemployment Benefits are not taxable to Montana

Line 31—Tip Income

Your tip income is excludable if:

- 1) it is included in Federal adjusted gross income and
- 2) received from a licensed business that provides food, beverages or lodging.

Line 32—Other reductions (Please be specific.)

Montana State Refund

If included on line 17, deduct it here. Only Montana state refunds are deductible if included on your Federal Adjusted Gross Income.

Disability Income Exclusion

You may subtract up to \$5,200 a year of your disability payments from your gross income.

You qualify for the exclusion if you:

- 1) are under 65;
- 2) have not reached mandatory retirement age;
- 3) retired on disability;
- 4) were permanently and totally disabled when you retired; and
- 5) have not chosen to treat your disability income as a pension or annuity.

The amount is limited to the disability pay you actually received or \$100 a week whichever is less. This also may have to be reduced by part of your adjusted gross income.

Use Form DS-1 to calculate your allowable deduction and attach to your return.

Additional deduction for purchase of recyclable material

Individuals may take an additional 5% deduction of the expenses related to the purchase of recycled products used within Montana in their business if the recycled products purchased contain at least 90% reclaimed material.

For a taxpayer paying individual income tax, the deduction is an adjustment to federal adjusted gross income for individual income tax. The deduction is available for tax years 1992 through 1995.

Wages Covered by Federal Targeted Jobs Credit

As an employer, you can deduct wages and salaries reduced by the amount of the federal targeted jobs credit or by work incentive program credits. Deduct this from your Montana adjusted gross income. The deduction must be taken in the year the wages and salaries are used to compute the federal credit.

Land Sales to Beginning Farmers

You can deduct from your taxable income all income or capital gain realized from the sale of land consisting of 80 acres or more sold to a beginning farmer at a maximum of 9% interest. The transaction must first be approved by the Agricultural Loan Authority. The maximum deduction allowed is \$50,000. A copy of your letter of approval from the Department of Agriculture must be attached.

Indian Reservation Income

If you are an enrolled member of an American Indian tribe recognized by the Federal Government you may subtract any income if it is earned while both living and working on a reservation.

Any loss incurred on the reservation cannot be used to offset taxable income. Certification of enrollment (Form IND) and proof that the income was earned on the reservation must be attached to the return each year.

Agent Orange

Agent Orange payments are not taxable to Montana.

Independent Liability Funds

If your business qualifies as a small business under the criteria set up by the Federal Small Business Administration, you may deduct amounts contributed to your Independent Liability Fund.

S Corporation Income

Enter on line 32 any undistributed taxable income included in total income on line 18. You must be a shareholder in a Federal S Corporation that does business in Montana and is not an S Corporation for Montana purposes.

Exempt Military Pay

The active duty pay for members of the regular armed forces (Army, Navy, Marines, Air Force and Coast Guard), is **not** subject to tax.

All members of Guard and Reserve components **are** subject to tax on their pay including full time active duty wages.

Social Security

Complete the Social Security worksheet in this booklet after completing the retirement worksheet on page 5. If the portion of your Social Security benefits that is taxable to Montana is less than the federal, enter the difference.

Allocation of Income to Proprietor's Spouse

If your spouse regularly performs substantial personal services in operating the business for which he or she is not paid a salary or wage, you can assign to your spouse reasonable pay for the services. Compensation must be determined on the basis of the reasonable rate of pay appropriate for your area for the particular type of personal services performed. Services performed by operating a household or services which are incidental to the operation of the business may **not** be used as a basis for this allocation.

Please attach an explanation sheet to the return showing how the allocation of income was determined. The allocation of income must appear on line 32 as a reduction of your income and on line 23 as an addition to your spouse's income.

Montana Net Operating Losses

If your net operating loss for federal and for Montana differ, add your federal net operating loss on line 23 and subtract your Montana net operating loss on line 32.

Only those federal taxes paid on income that is taxable to Montana are allowed in the calculation of a Montana net operating loss.

Deductions

NOTE: IF HUSBAND AND WIFE FILE SEPARATE RETURNS, EACH MUST ITEMIZE DEDUCTIONS OR EACH MUST CLAIM THE STANDARD DEDUCTION.

Line 36—You can claim a standard deduction or itemize deductions. (See Form 2A, Schedule I and page 8 and 9 of the instructions if you itemize.)

Standard Deduction

Single or Married Filing Separately

Calculate 20% of the amount on line 35 (Montana adjusted gross income). If the amount calculated is less than **\$2,540** enter the calculated amount on line 36. If it is more, enter **\$2,540** on line 36.

Married Filing Jointly or Head of Household

Calculate 20% of the amount on line 35 (Montana adjusted gross income). If the amount calculated is less than **\$5,080** enter the calculated amount on line 36. If it is more, enter **\$5,080** on line 36.

Line 38—Exemptions

Multiply **\$1,360** by the number of exemptions in box 5 on the front side of Form 2.

Tax Computation

Line 40—Enter the tax from the table on back of form.

Line 41—Surtax—multiply the amount on line 40 by 2.3% (.023).

Line 42—Tax on lump-sum distributions which haven't been included in adjusted gross income.

Enter 10% of the federal tax you paid on lump-sum distributions. Attach a copy of Federal Form 4972.

Line 44—Enter the total from Form 2A, Schedule II, line 106.

Line 46—Investment credit recapture
Use Form RIC available from the Income Tax Division.

Line 47—Public Campaign Fund

You and your spouse can each contribute \$1. This fund provides financial support for candidates seeking election to the offices of Governor, Lieutenant Governor, Chief Justice, and Justice of the Montana Supreme Court. Contributions are tax deductible the following year.

Line 48—Enter total of lines 49, 50, 51 and 52. Contributions are tax deductible.

You and/or your spouse can each contribute \$5, \$10, \$20 or any amount to the program(s) of your choice. This is in addition to your existing tax liability. If you itemize deductions, the contribution may be claimed in the tax year being filed or the year paid.



Line 49—Nongame Wildlife Program

Contributions will be used to ensure the well-being of many of Montana's watchable wildlife species, such as eagles, herons, bluebirds, great horned owls, loons, chipmunks, pikas, flying squirrels and painted turtles.

Line 50—Child Abuse and Neglect Prevention Program

Contributions will fund services and activities which relate to the prevention of child abuse and neglect.

Line 51—Agriculture in Montana Schools Program

Contributions will fund the development and presentation of educational programs. This ensures Montana's young people have a better understanding of agriculture in our state and the rest of the world.

Line 52—DARE—Contributions will fund services, activities and administrative costs of the Montana Drug Abuse Resistance Education program.

Line 55—Enter the amount of Montana income tax withheld as shown on your withholding tax statements. Attach withholding statement(s) (W-2) to return.

Line 56—Enter your total Montana estimated tax payments and payments sent with extension for 1992. Include applied overpayments from 1991.

Line 57—Elderly Homeowner or Renter Credit

Note: Detailed instructions are on Form 2EC to determine if you qualify.

Refund or Balance Due

Line 60—Amount Overpaid (If line 59 is larger than line 54)

Subtract line 54 from line 59. You can choose to have all or part of this amount refunded to you (line 61). The remainder, if any, can be applied to your estimated tax for 1993 (line 62). Only overpayments of more than \$1 will be refunded.

Line 61—Enter the amount of line 60 you want refunded to you.

Line 62—Enter the amount of line 60 which you want applied to 1993 Estimated Tax.

Line 63—Tax Due

(If line 54 is larger than line 59)

Subtract line 59 from line 54. This is the amount you owe. Submit payment with return.

Make your check or money order payable to the State Treasurer. **Post dated checks** will be returned and the tax return will be treated as if no payment was received.

Credit Card Voucher

The enclosed credit card voucher is an option offered as a payment convenience. Unlike traditional credit cards this one requires the payment of a **transaction fee** over and above the amount of taxes charged to your account. Please see enclosed colored card for the schedule and further instructions.

Income Tax Withholding for 1993

If the amount you owe (line 63) or the amount you overpaid (line 60) is excessive, see your payroll office. Ask about filling out a new Form W-4 to change the amount of income tax to be withheld from your state wages. Your Federal withholding can remain unchanged.

NEW

Declaration and Payment of Estimated Tax

If you expect to owe at least \$500 additional tax after subtracting withholding and tax credits, you must make estimated tax payments in 1993.

If you owed and paid on previous years' return, that amount cannot be claimed as an estimated tax credit on line 56. Please submit all estimated payments with Form ESV to ensure proper credit.

NOTE: For tax years after December 31, 1992. If you have a tax liability greater than \$500.00 you may be required to pay estimated taxes in four installments. Instructions and forms for 1993 estimated taxes are in the back section of this booklet.

Schedule I Form 2A Itemized Deductions

You can take the same deductions allowed for federal income tax purposes except: 1. Montana income tax you paid. 2. Taxes claimed as a credit for income tax paid another state or country (see line 95).

Medical and Dental Expenses

Lines 68-71—Medical and dental expenses you paid during the tax year, if not paid by insurance, are deductible. The amount is subject to the same limitations used for your Federal medical and dental deductions. The cost for services by physicians, dentists, nurses, and hospitals are deductible. The cost of prescription medicine, drugs, medical or surgical appliances and eyeglasses, transportation for getting medical care and your health insurance premiums are included. Funeral expenses and the cost of illegal drugs are not deductible. Your allowable expenses are reduced by 7.5% of line 35.

Line 72—Long Term Care Insurance

Enter total amount of premium payments made for long term care insurance with benefits that meet or exceed the minimum standards as established by the Montana State Auditors Office; Insurance Commission Division.

Taxes

Line 73—Enter the amount of Federal estimated tax paid and/or the amount of Federal tax withheld from your salary during the tax year.

Line 74—Enter the balance of your 1991 Federal income tax paid in 1992.

Line 75—Enter any additional Federal income tax paid in 1992.

Line 76—Enter any taxes you paid on real estate and personal property.

Line 77—Enter your motor vehicle taxes paid. You cannot deduct new car taxes. Montana income tax, federal excise taxes, gasoline tax, Social Security tax (FICA), tax on alcoholic beverages or tobacco, selective and general sales taxes, accommodation tax or license fees (hunting, fishing, driving, etc.) are also nondeductible.

Interest Expense

Line 78—Enter **only** home mortgage interest and deductible points allowed on your Federal return.

Line 79—Enter Deductible Investment Interest (attach Federal Form 4952).

Note: Interest expense related to exempt income is not deductible.

Line 80—Contributions

You can deduct what you gave to qualified organizations as authorized by Federal tax laws. Limitations should be based on **Montana adjusted gross income from Line 35**, not on the Federal adjusted gross income.

Payments to a charitable organization to purchase insurance naming the charitable institution as irrevocable beneficiary are allowed as contributions.

If you are a shareholder in an S corporation and the corporation donates computer equipment to a Montana school, you may take the deduction if the corporation **has not**.

You may deduct the fair market value, not to exceed 30% of your net income. The contribution must be made within five years after manufacture of the equipment. It must **not** be exchanged by the recipient for money, other property, or services.

Line 81—Child and Dependent Care Expense

Payments you made for child or disabled dependent care while you and your spouse both worked or looked for work may qualify for a deduction. To qualify you must maintain a home that included a child under 15 or dependent or spouse unable to care for himself/herself. You must also meet certain income requirements.

If the total of **both** spouses income (line 35, columns A & B):

IS	AND YOU	YOU
Under \$22,800	Have 1 child	Do qualify
Under \$25,200	Have 2 children	Do qualify
Under \$27,600	Have 3 or more	Do qualify

If you qualify contact the Income Tax Division and request Form 2441M.

The deduction **must** be divided equally between spouses when they are filing separately.

Line 82—Casualty or Theft loss

Attach Federal Form 4684

You may deduct casualty and theft losses subject to the limitations established by federal tax laws. Use Montana adjusted gross income, line 35, in your computation on Schedule 4684.

Line 83—Moving Expense—Attach Federal Form 3903.

Miscellaneous Deductions

Line 84—Unreimbursed Business Expenses

Attach Form 2106.

Line 85—You may deduct other miscellaneous items of expense subject to the limitations of Federal tax laws. Examples of the expenses you **MAY** deduct:

- Safety equipment, small tools and supplies needed for your job.
- Montana-produced organic fertilizer.
- Cost of business entertainment.
- Cost of education required to maintain or improve skills used in your present job, trade, or business.

Examples of expenses you **MAY NOT** deduct:

- Political contributions.
- Cost of education needed to meet minimum job standards, to obtain a new job, or to get a substantial advancement in employment.
- Cost of transportation to or from work.
- Cost of entertaining friends.
- Lump-sum alimony payments.
- Payments for the support of minor children.
- Commuting costs and expenses for National Guard and Reserves.
- Telephone, when used partially for personal use.

Line 89—Enter miscellaneous deductions not subject to 2% of adjusted gross income from your Federal return.

Line 91—People with higher incomes may not be able to deduct all of their itemized deductions. If the amount on Form 2, line 35, is more than \$105,250 (\$52,625 if married filing separately), use the worksheet on page 8 to figure the amount you may deduct.

Itemized Worksheet

	Col A	Col B
1. Enter the amount from Form 2A, line 90. (Total itemized deductions)	1.	
2. Add the amounts on Form 2A, lines 71, 72, 73, 74, 75, 79, 81 & 82, plus any gambling losses included on line 89.	2.	
3. Subtract line 2 from line 1. (If the result is zero, Stop Here.) Enter the amount from line 1 above on Form 2, line 36.	3.	
4. Multiply amount on line 3 above by 80% (.80).	4.	
5. Enter the amount from Form 2, line 35.	5.	
6. Enter \$105,250 (\$52,625 if married filing separately, even if filing on the same form)	6.	
7. Subtract line 6 from line 5. (If the result is zero or less, Stop Here.) Enter the amount from line 1 above on Form 2, line 36.	7.	
8. Multiply line 7 by 3% (.03).	8.	
9. Compare the amount on lines 4 & 8 above. Enter the Smaller of the two amounts here.	9.	
10. Total Allowable Itemized Deductions. Subtract amount on line 9 from amount on line 1. Enter the result here and on Form 2A, line 91 and Form 2, line 36.	10.	

Credits Against Tax

Line 92—Rural Physicians Credit—A physician who commences practice in an area without a 60 bed hospital located within 30 miles, may claim a credit against individual income tax. Credit may be claimed for each of four consecutive years beginning with the year in which his/her practice starts in a qualifying area. Effective date of this credit is January 1, 1991. In order to qualify for this credit, a physician must have commenced practice after this date. The physician must maintain the practice for at least 9 months of the taxable year in which the credit is claimed. Credit may not be used for any taxable year in which the physician ceases to practice in an area described above.

If a physician ceases to practice in the rural area within 4 years following the taxable year in which the credit is allowed, the physician shall repay to the state the amount of the credit claimed for that taxable year.

The maximum amount of the credit is \$5,000 a year and may be used only to offset tax liability. Enter credit amount on line 92, Form 2A Schedule II.

Line 93—College Contribution Credit—See Form CC for instructions.

You may be entitled to a credit for deductible contributions made during 1992 to a general endowment fund of the Montana university system foundations or to a general endowment fund of a private Montana college or its foundation. The credit is **10% of the contribution with a maximum of \$500** and is not refundable. To be eligible for the credit the college must offer a baccalaureate degree level education program. Note: The specialized college license plate amount can no longer be used as part of this credit. The contribution may also be claimed as an itemized deduction on Form 2A, subject to the normal limitations.

Line 94—Elderly Care Credit—see Form ECC for instructions.

You may be eligible to receive a credit for paying certain expenses of an elderly family member who is 65 or older or has been determined disabled for Social Security purposes.

Line 95—Credit Allowed for Income Tax Paid Other States or Countries. (Full year or part year resident)

You are entitled to a credit for income tax liability paid to another state or country. Part-year residents who have income in another state while a Montana resident may take the credit. The income from the other state(s) must be included in Montana adjusted gross income.

Compute the credit on Schedule V, Form 2A-Cont. Enter the amount on line 95, Schedule II, Form 2A. The credit claimed must be supported by a copy of your tax return filed with the other state or country. A separate computation must be made for each state or country for which a credit is claimed. Your total credit must not exceed your tax liability.

Line 96—Contractor's Gross Receipts Tax Credit

You're allowed a credit against Montana income tax liability for the public contractor's gross receipts tax you paid. If you report your income from contracts on a percentage-of-completion basis, the credit must be pro-rated accordingly. The allowable credit is the actual gross receipts tax paid after taking the personal property tax credit. This cannot be in excess of your tax liability. Attach schedule to return showing the contractor's name, date and amount of contract, primary contractor, subcontractor, and location of job.

Line 97—Qualified Investment Credit

You may claim a credit of 5% of your 1992 Federal investment tax credit. The property claimed for credit must have been placed in service in Montana and used in the production of Montana income. To take the credit, complete Schedule VI, Form 2A-Cont., and attach a copy of Federal Form 3468 which shows a computation of the federal credit.

Credit for the taxable year may not exceed \$500. No unused portion of the credit earned in 1992 may be carried back or forward to other years. **For limitations applying to carryforwards of years prior to 1983 call the Department of Revenue at (406) 444-2837.**

Credit for the taxable year may **not** exceed \$500. No unused portion of the credit earned in 1992 may be carried back or forward to other years.

If you have a combination of current year investment tax credit and carryforward credit from years prior to 1983, apply the current year credit first. Then apply the carryforward credit. Please attach a copy of your carryforward/carryback computations.

The credit may not be allocated to your spouse if he or she is not a partner in the business, partnership or a shareholder in the S corporation.

If the property is used both inside and outside the state, the credit is pro-rated according to the number of days the property is used in Montana and the length of time owned during the year.

No investment credit is allowed for Rehabilitation property.

Line 98—Credit for Installation of Nonfossil/Biomass/Geothermal Energy Systems (Only residents of Montana can claim this credit.)

You may claim a credit against tax liability if you're a resident who installs or acquires a "nonfossil energy system." Examples are solar heat, wind, and solid wastes systems. Low emissions wood, wood pellet, biomass combustion devices and geothermal systems qualify for this credit. See instructions on Form ENRG-B which must be completed and attached to claim this credit.

Line 99—Credit for Energy Conservation Installations

You may claim a credit against your tax liability for some of the cost of an investment for energy conservation purposes in a building. Montana law defines an eligible expense as "the installed cost of materials and equipment which reduce the waste or dissipation of energy or reduce the amount of energy required to accomplish a given amount of work."

The maximum credit for residential purposes is \$150 and for commercial purposes \$300. Form ENRG-C must be completed and attached to return.

Line 100—Credit for Wind-powered Generation Equipment

You may claim a credit against your Montana income tax for a qualified investment of \$5,000 or more. The commercial wind-powered electrical generation system must be located in Montana. Complete Form 2 WPC and attach it to the return.

Line 101—Recycling Credit—Credit for investments in depreciable equipment or machinery to collect, process or manufacture a product from reclaimed material.

A 25% credit is available only for the acquisition of machinery and/or equipment that is depreciable, as defined in the Internal Revenue Code Section 167. The machinery and/or equipment must be used in Montana primarily for the collection or processing of reclaimable material or in the manufacture of finished products from reclaimed material.

The basis for the credit is generally the cost of the property before consideration of trade-in equipment. An exception to this is that the basis shall be reduced by any trade-in which has had this credit previously taken on it. This includes the purchase price, transportation cost (if paid by the purchaser) and the installation cost before depreciation or other reductions. This credit does not increase or decrease the basis for tax purposes.

Recycling machinery and/or equipment must be located and operating in Montana on the last day of the taxable year for which the credit is claimed. The machinery or equipment must be used to collect, process, separate, modify, convert or treat solid waste into a product that can be used in place of a raw material for productive use. This does not include transportation equipment unless it is specialized to the point that it can only be used to collect and process reclaimable material.

In the instance of the specialized mobile equipment that does qualify and is used both within and outside of Montana, the credit must be prorated using the following calculation:

$$\frac{\text{Days Used In Montana} \times 25\% \times \text{Cost of Equipment}}{\text{Total Days Used}} = \text{Credit allowed}$$

The owners of a small business corporation, partnership or sole proprietorship must pro-rate the credit in the same proportion as their ownership in the business unless an agreement states otherwise.

Only a taxpayer that owns an interest either directly or through a passthrough entity such as a partnership or S corporation and is operating the equipment as the primary user on the last business day of the year may claim the credit.

The credit is limited to the amount of the taxpayer's income or corporation tax liability. Any excess credit is not refundable nor can it be carried back or forward to other tax years.

The Department may disallow a credit resulting from a sale or lease when the overriding purpose of the transaction is not to collect or process reclaimable material or manufacture a product from reclaimed material.

Enter the amount from line 12, Form RCYL.

Line 102—Montana Capital Company Credit

You may claim an income tax credit for investments in Montana capital companies. The company must be certified by the Montana Department of Commerce and privately capitalized at \$200,000 or more. The credit is limited to 50% of the investment up to a maximum of \$150,000 per taxpayer. The total amount of tax credits authorized for one capital company may not exceed \$1,500,000. Attach a copy of the certification.

A capital company that fails to make qualified investments must pay a penalty equal to all the tax credits allowed to taxpayers investing in that company. This penalty will be paid to the Montana Department of Revenue. Attach a detailed explanation of your claim for the credit.

Line 103—Dependent Care Assistance Credit (DCAC)

An employer may claim a credit against his personal income taxes for amounts paid or incurred during the taxable year by the employer for dependent care assistance provided to employees. Fill out form DCAC available from the department.

Line 104—Credit for Health Insurance for Uninsured Montanans (i.e. Health Insurance)

This credit is available to employers who make disability insurance available to employees. See Form HI for details.

Line 105—Enter any other allowable credits

Line 106—Add credits and enter total on line 44, Form 2.

NEW

NEW

Line-By-Line Instructions Form 2S

Full Year Residents only

Income Reported on Federal Return

Lines 6 through 10—Enter all items of income you reported on your Federal Income Tax return (Attach copies of applicable schedules.)

Line 12—Individual Retirement Account (IRAs)

Enter the IRA deduction you and/or your spouse computed on your Federal IRA Worksheet. If you did not make payments to an IRA, do not make an entry on this line.

Line 13—Subtract line 12 from line 11 to arrive at your federal adjusted gross income.

Modifications to Income

Additions to Income

Line 14—Include interest income from bonds and other obligations of other states or their political subdivisions. (Interest income from Montana bonds is *not* taxable.)

Your federal refund is income in 1992 if you:

- Used federal income taxes paid or withheld on line 23 of 1991 Form 2S.
- Itemized deductions on Montana return last year using federal withholding/estimates as a deduction.

Caution: Do not include any portion of your federal refund that is due to earned income credit.

Reductions to Income

Line 15—Retirement Income Exclusion—Attach copy of 1099R. Compute your retirement exclusion using the worksheet below and enter it on line 15 of Form 2S.

Taxation of Retirement Income

The 1991 legislature changed the taxability of all retirement income. The only exception to this is Railroad Retirement benefits received from the Railroad Retirement Board. These benefits are fully exempt from Montana Taxation.

If you have a disability pension, use the disability pension worksheet which you can receive by calling the Department of Revenue.

If your federal adjusted gross income on line 13 of Form 2S is less than \$30,000, enter the **smaller** of your total retirement income or \$3,600 on Form 2S, line 15.

If your federal adjusted gross income on line 13 of Form 2S is **larger** than \$30,000, calculate your retirement exclusion using the worksheet below.

Premature distributions/early withdrawals **do not** qualify for a retirement exclusion under the new law.

Retirement Worksheet

- Enter your federal adjusted gross income from line 13. _____
- Phase-out limitation 30,000
- If line 1 is smaller than line 2, enter on Form 2S, line 15: (A) the smaller of each retirement income or (B) \$3,600 for each person who has retirement income and **Stop Here**. You do not need to complete the remainder of this worksheet.
If line 1 is larger than line 2, subtract line 2 from line 1 & enter the result. _____
- Fill Out Only One.**
If your filing status is:
 - Single or Joint and** only you or your spouse has retirement income; enter your retirement income or \$3,600, whichever is smaller. _____
 - Joint** and both you and your spouse have retirement incomes: **1st**, enter each spouse's total retirement income or \$3,600, whichever is smaller, on the following lines:
(His) _____ (Hers) _____
2nd, enter the total of the two lines. _____
- Multiply the amount on line 3 times two (2) and enter the result. _____
- Retirement Exclusion.** Subtract line 5 from line 4a or 4b, whichever applies to you. If the result is zero or negative, you are not eligible for a retirement exclusion. If the number is positive, this is your retirement exclusion. Transfer this number to line 15 on Form 2S. _____

For information on treatment of Civil Service Amended Refunds see line 29, page 5.

Line 16—Interest Exclusion—If you're 65 or older, and filing single or head of household, you may exclude up to \$800 of interest income. If filing jointly, you may exclude up to \$1,600; only one spouse must be 65. The amount on line 16 may not exceed the amounts on line 7 and 14.

Line 17—Exempt Interest Income

Interest income received on obligations of the United States Government is exempt from Montana Income Tax if all of the following conditions are met: the instruments must be written documents, bear interest, and contain a binding promise by the United States to pay **specified sums at specified dates**. It must contain specific Congressional Authorization which pledges the full faith and credit of the United States in support of the promise to pay. If any one of these conditions is not met, the interest from the obligations is taxable to Montana. Obligations that are taxable include GNMA's and FNMA's.

Line 18—Unemployment Benefits are not taxable to Montana.

Line 19—Tip Income

Your tip income is excludable if: 1) it is included in Federal adjusted gross income and 2) received from a licensed business that provides food, beverages or lodging.

Line 20—Other reductions (Please be specific)

State Refund If included on line 10, deduct it here.

Exempt Military Pay

The active pay for members of the regular armed forces (Army, Navy, Marines, Air Force and Coast Guard) is not subject to tax.

Indian Reservation Income

If you are an enrolled member of an American Indian tribe recognized by the Federal Government you may subtract any income if it is earned while both living and working on a reservation.

Any loss incurred on the reservation cannot be used to offset taxable income. Certification of enrollment (Form IND) and proof that the income was earned on the reservation must be attached to the return each year.

Disability Income Exclusion

You may subtract up to \$5,200 a year of your disability payments from your gross income. You qualify for the exclusion if you: 1) are under 65; 2) have not reached mandatory retirement age; 3) retired on disability; 4) were permanently and totally disabled when you retired; and 5) have not chosen to treat your disability income as a pension or annuity.

Your exclusion is limited to the disability pay you actually received or \$100 a week whichever is less. This may have to be reduced by part of your adjusted gross income. Use Form DS1 (available from the Department) to calculate your allowable exclusion and attach to your return.

Line 22—Add line 13 to line 14 and subtract line 21. This is your Montana adjusted gross income.

Deductions

Line 23—Standard Deduction or Federal income tax paid or withheld

Single

Calculate 20% of the amount on line 22 (Montana adjusted gross income). If the amount calculated is less than \$2,540 enter the calculated amount on line 23. If it is more, enter \$2,540 on line 23.

Married Filing Jointly or Head of Household

Calculate 20% of the amount on line 22 (Montana adjusted gross income). If the amount calculated is less than \$5,080 enter the calculated amount on line 23. If it is more, enter \$5,080 on line 23.

You may use your federal income taxes paid, withheld and/or estimated for tax year 1992, if greater than your allowable standard deduction. Check appropriate box. If you checked Box B, you may want to consider itemizing deductions on Form 2 and 2A.

Line 24—Exemptions

Multiply \$1,360 by the number of exemptions in box 5 at top of page and enter.

Tax Computation

Line 27—Enter the tax from the table on the back of form.

Line 28—Surtax—multiply the amount on line 27 by 2.3% (.023).

Line 29—Public Campaign Fund

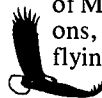
You and your spouse can each give \$1. This fund provides financial support for candidates seeking election to the offices of Governor, Lieutenant Governor, Chief Justice, and Justice of the Montana Supreme Court. Contributions are tax deductible the following year.

Line 30—Enter total of lines 31, 32, 33 and 34.

You and/or your spouse can each give \$5, \$10, \$20 or any amount to the program(s) of your choice. This is in addition to your existing tax liability.

Line 31—Nongame Wildlife Program

Contributions will be used to ensure the well-being of many of Montana's watchable wildlife species, such as eagles, herons, bluebirds, great horned owls, loons, chipmunks, pikas, flying squirrels and painted turtles.



Line 32—Child Abuse and Neglect Prevention Program

Contributions will fund services and activities which relate to the prevention of child abuse and neglect.

Line 33—Agriculture in Montana Schools Program

Contributions will fund the development and presentation of educational programs. This will ensure Montana's young people will have a better understanding of agriculture in our state and the rest of the world.

Line 34—DARE Contributions will fund services, activities and administrative costs of the Montana Drug Abuse Resistance Education program.

Line 35—Add amounts on lines 27, 28, 29 and 30 for total tax.

Line 36—Enter the amount of Montana income tax withheld as shown on your withholding tax statements. Attach withholding statement(s) (W-2) to return.

Line 37—Payments on 1992 estimated tax, amounts credited from previous year and/or payments made with extension.

Line 38—Elderly Homeowner or Renter Credit

Note: See detailed instructions on Form 2EC to determine if you qualify.

Refund or Tax Due

Line 40—Amount Overpaid

(If line 39 is greater than line 35)

Subtract line 35 from line 39. Only overpayments of more than \$1 will be refunded.

Line 41—Tax Due

(If line 35 is larger than line 39)

Subtract line 39 from line 35. This is the amount you owe, if the balance is \$1 or more. If any payment is due, make your check payable to the State Treasurer. **Post dated checks** will be returned and the tax return will be treated as if no payment was received.

Credit Card Voucher

The enclosed credit card voucher is an option offered as a payment convenience. Unlike traditional credit cards this one requires the payment of a **transaction fee** over and above the amount of taxes charged to your account. Please see enclosed colored card for the schedule and further instructions.

Income Tax Withholding for 1993

If the amount you owe (line 41) or the amount you overpaid (line 40) is excessive, see your payroll office. Ask about filling out a Form W-4 to change the amount of withholding.

NEW

NEW PART-YEAR RESIDENT AND NONRESIDENT RETURNS

For nonresidents and part-year residents, the July 1992 Special Legislative Session made significant changes to the Montana tax calculations.

If you were a part-year or a nonresident, use the Form 2. You will be required to complete Schedules III and IV on page 2, Form 2A.

Attaching a copy of Federal Return (pages 1 & 2) may reduce potential processing problems.

How Do I Determine My Legal Residence (Domicile) for Montana Tax Purposes?

Your legal residence is determined by all the facts and circumstances in your case. If you have two or more residences, your legal residence is the one you regard as your true home or principal residence. You cannot choose to make your home in one place for the general purposes of life and in another for tax purposes. Your legal residence is usually the place where you maintain your most important family, social, economic, political and religious ties. A change of legal residence will not be accomplished by a temporary or prolonged absence from a place; you must have the intention not to return.

Nonresident

A nonresident of Montana is a person who did not consider Montana to be his home at any time during 1992, although he may have been temporarily living here. Examples are: students going to school in Montana and military personnel stationed in Montana.

Nonresident individuals are subject to Montana income tax on **all** income included in Federal gross income which is derived from or connected with Montana sources. Intangible income, not related to a Montana business, is nontaxable.

Part-Year Resident

A part-year resident is a person who moved in or out of Montana during 1992 with the intention of establishing a new residence.

Part-year residents are subject to Montana tax on **all** income included in Federal gross income which is **received** while residing in Montana and on all income which is derived from or connected with Montana sources.

Income derived from Montana sources for a part-year resident includes all items of Montana income earned after becoming a Montana resident from dividends, interest, the sale of intangibles, and wages earned outside Montana.

Income Derived From Montana Sources

Schedule III will be used to identify income derived from Montana sources.

Examples of income:

1. Wages, salaries, tips and commissions paid for work performed in Montana.
2. Dividends and interest are normally taxable to the residence of the taxpayer unless earned in a business carried on in Montana. Interest income from installment sale(s) of Montana business property is taxable to Montana.
3. Business income is the amount of net income or loss from a business, trade, or profession carried on in Montana.
4. Farming income within Montana.
5. Partnership income is your share of any partnership income and deductions derived from Montana. Income is one of two types—passive or nonpassive. The type of income depends upon whether or not you materially participated in the activities of the partnership. If the income is passive, you are required to fill out a separate Federal Form 8582 for Montana purposes. Your share of the partnership income includes income, capital gain and deductions from the partnership whether or not you actually received it.
6. S Corporation income is the shareholders' percentage of the corporations net income and deductions derived from Montana.
7. Estate and trust income is the beneficiary's share of the income and deductions from a trust with nexus in Montana.
- 8a. **Part-year Residents**—If the gain shown on Schedule D occurred when you were a Montana resident, it is taxable to Montana. Capital gains/losses derived from the disposition of property connected with a trade or business conducted in Montana are includable in Montana adjusted gross income.
- 8b. **Nonresidents**—Capital gains/losses derived from the disposition of property connected with a trade or business conducted in Montana are includable in Montana adjusted gross income.
9. Royalty income is the net income derived from or connected with working interest in oil and gas properties in Montana. Any other royalty income may be passive income. See item 10 below.
10. Rental income is the net amount derived from or connected with real or tangible personal property in Montana. Rental income is passive income. A separate Federal Form 8582 must be filled out for Montana passive income and losses to calculate the allowable losses. Use Montana income to figure the income limitations on Federal Form 8582. If filing separate, the income and losses must be split according to ownership in the property. (joint = 50%) See page 4, line 23 instructions.

Instructions For Nonresidents/ Part-Year Residents

Income

Lines 6 through 17—Report all income and losses as you did on your Federal return. Attach a copy of the Federal schedule(s) if it applies to your Montana income.

Note: Married persons filing separate must prorate their income based on percentage of ownership (interest, business, etc.).

Adjustments from Income

Line 19—Enter the adjustments to income claimed on your Federal return. These include IRA, Keogh, periodic alimony payments, one half of self employment tax, etc. Attach a copy of the Federal schedule where applicable.

Line 20—Subtract line 19 from line 18. The amount on line 20 must be the same as your Federal adjusted gross income.

Modifications to Income

The total income you reported on line 20 may need to be adjusted to determine the correct amount you should report on line 35, Form 2 as Montana adjusted gross income.

Income Reportable to Montana**Schedule III, Lines 107-118**

Complete Form 2, lines 6 through 39, following the general instructions *before* completing Schedule III. Be sure to attach a copy of your Federal return and all Federal schedules that pertain to Montana income and activities.

If you have income from Montana and from another source shown on the same schedule, you must attach a statement to the Montana return to identify the Montana income.

The following line by line instructions are for nonresidents and part-year residents with income reportable to Montana.

Line 107**WAGES, SALARIES AND TIPS**

Enter the amount of wages, salaries and/or tips that were derived from Montana sources. These amounts should be shown on your W-2(s) from Montana employer(s). Be sure to attach the W-2(s) to the front of Form 2.

Line 108**INTEREST INCOME**

If you are filing as a part-year resident enter the amount of interest income related to the time you were Montana resident(s).

If you are a nonresident, you must report interest income from installment sale(s) of real or tangible commercial or business property located in Montana.

Nonresident income from interest on bank deposits, notes, dividends on capital stock of corporations, royalties from patents and copyrights and all other income from intangible property is not taxable to Montana.

Line 109**DIVIDEND INCOME**

Enter the amount of dividend income received while you were a Montana resident. As an example, if you were a resident for one half of the year, and you receive a 1099 from an account, 50% of the reported dividend income would be taxable to Montana and reportable here.

If you are a nonresident, the dividend income received from any trade, business, profession or occupation carried on in Montana is taxable to Montana and reportable here.

Line 110**BUSINESS INCOME**

Business income is the amount of net income or loss from a business, trade, or profession carried on in Montana. If you have more than one business, you may need to complete a separate Federal Schedule C to show the Montana business activities.

Line 111**CAPITAL GAIN OR LOSS**

Enter the amount of gain or loss related to the sale(s) of Montana properties or assets. Remember, the gain from installment sales of Montana business property is includable here and taxable to Montana.

If you are filing as a part-year resident, and if the gain occurred while you were a resident of Montana, it is taxable to Montana.

Line 112**SUPPLEMENTAL GAIN OR LOSS**

Enter here any supplemental gain or loss attributed to Montana property(s). If you are filing as a part-year resident, report any supplemental gain received while you were a resident or any gain related to Montana property(s).

Line 113**RENTS, ROYALTIES, PARTNERSHIPS, ETC.**

Rental income is the net amount derived from or connected with real or tangible personal Montana property.

Partnership income is your share of any partnership income and deductions derived from Montana. Income is one of two types—passive or nonpassive. The type of income depends upon whether or not you materially participated in the activities of the partnership. If the income is passive, you are re-

quired to fill out a separate Form 8582 for Montana purposes. Your share of the partnership income includes income, capital gain and deductions from the partnership whether you actually received it or not.

S Corporation income is the shareholders' percentage of the corporations' net income and deductions derived from Montana.

Estate and trust income is the beneficiary's share of the income and deductions from a trust with nexus in Montana.

Line 114**NET FARM INCOME OR LOSS**

Report the farm income or loss attributed to Montana, following the same instructions as shown for line 110. Please attach a separate Schedule F if necessary, showing only the Montana farm activities.

Line 115**TAXABLE PORTION OF SOCIAL SECURITY**

If you are a part year resident, a portion of your Social Security benefits may be taxable to Montana.

Complete the Social Security worksheet to determine the amount of Social Security that is taxable for Montana. The amount taxable for Montana may differ from the taxable amount for Federal.

Line 116**TAXABLE PENSIONS, ETC.**

If you are a part-year resident, enter the amount of pension income attributed to the time you resided in Montana. Remember, you must complete the pension exclusion worksheet on page 5 of the general instructions.

Line 117**OTHER INCOME OR LOSS
(STATE REFUND, FEDERAL REFUND, ETC.)**

Enter any income attributed to Montana that is not identified on lines 107 through 117 here. If you claimed any Federal taxes paid or withheld on your 1991 Montana return, your Federal refund is includable in your total Montana income to the extent the deduction resulted in a reduction of Montana income tax liability.

If only a portion of the Federal taxes paid or withheld was claimed, use the same percentage used on the 1991 to report the portion of the Federal refund attributed to Montana.

Line 118**MONTANA TOTAL INCOME**

Add lines 107 through 117 and enter the result here and on line 119, Schedule IV.

Tax Computation— Schedule IV, Lines 119-124**Line 119**

Enter the amount from line 118, Schedule III.

Line 120

Total Income—Enter the total of lines 18, 21 and 22, Form 2.

Line 121

Divide the amount on line 119 by the amount on line 120. If your Montana total income is smaller than your Federal total income, you will arrive at a percent amount.

If your Montana total income is larger than your Federal total income, and the computed amount on line 121 is larger than 100%, use only 100%.

Line 122

Enter the amount from Form 2, line 39.

Line 123

Compute the tax on the amount shown on line 122, using the tax table on page 2, Form 2. Enter the tax on line 123.

Line 124**NONRESIDENT/PART-YEAR RESIDENT TAX**

Multiply the percentage on line 121 by the amount on line 123. Enter the amount from line 124 on line 40, Form 2. This is your Montana Tax Liability.

FORM 2 — Montana Individual Income Tax Return — 1992

OR FISCAL year beginning _____, 1992 and ending _____, 19____

LAST NAME		First Name & Initial		Your Social Security No.		
Spouse's Last Name if Different		Spouse's First Name & Initial		Spouse's Social Security No.		
MAILING ADDRESS		City		State		
Zip Code + 4						
Filing Status Check One: 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing joint return 3 <input type="checkbox"/> Married and both filing separate returns on this form 4 <input type="checkbox"/> Married and both filing separate returns on separate forms 5 <input type="checkbox"/> Married filing separate return and spouse is not filing 6 <input type="checkbox"/> Head of Household (see instructions)						
Residency Check One: 1 <input type="checkbox"/> Resident Full Year 2 <input type="checkbox"/> Nonresident Full Year 3 <input type="checkbox"/> Resident Part Year Give date of change: _____ State moved to: _____ State moved from: _____						
EXEMPTIONS						
		Regular	65 or Over	Blind	COLUMN A (For single joint, separate, or head of household)	COLUMN B (For spouse only when filing separate, and box 3 is checked)
1. Yourself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked <input type="checkbox"/>	<input type="checkbox"/>
2. Spouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked <input type="checkbox"/>	<input type="checkbox"/>
3. Number of exemptions claimed for dependents. See page 3 of instructions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Number of exemptions claimed for handicapped children. See page 3 of instructions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Add lines 1, 2, 3, and 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Total Number Exemptions <input type="checkbox"/>	<input type="checkbox"/>

DO NOT USE THIS SPACE

INCOME REPORTED ON FEDERAL RETURN

Note: Line 20 must match your Federal Adjusted Gross Income

ROUND TO NEAREST DOLLAR
 COLUMN A (For single joint, separate, or head of household)
 COLUMN B (For spouse only when filing separate, and box 3 is checked)

6. Wages, salaries, tips, etc. (Attach W-2's)	6.				6.
7. Taxable interest income (Attach Federal Schedule if over \$400)	7.				7.
8. Dividend income (Attach Federal Schedule if over \$400)	8.				8.
9. Net business income (Attach Federal Schedule C or C-EZ)	9.				9.
10. Capital gain or (loss) (Attach Federal Schedule D)	10.				10.
11. Supplemental gains or (losses) (Attach Federal Form 4797)	11.				11.
12. Rents, royalties, partnerships, estates, trusts, etc. (Attach Federal Schedule E & 8582)	12.				12.
13. Net farm income (Attach Federal Schedule F)	13.				13.
14a. Social Security Benefits	14a.	14b. Taxable amount	14b.		14b.
15a. Total IRA distributions	15a.	15b. Taxable amount (Attach 1099)	15b.		15b.
16a. Total pensions and annuities	16a.	16b. Taxable amount (Attach 1099)	16b.		16b.
17. Other income (State Ref. _____ alimony _____ unemployment _____, etc., specify _____)	17.				17.
18. Total of lines 6 thru 17 TOTAL	18.				18.
19. Adjustments to income. Allowable IRA deduction _____ S.E. Tax _____ S.E. Health Insurance _____ Keogh/SEP _____ Other _____	19.				19.
20. FEDERAL ADJUSTED GROSS INCOME (subtract line 19 from 18)	20.				20.

ATTACH PAYMENT HERE

INCOME REPORTED FROM FEDERAL RETURN

ADDITIONS

21. Interest on state, county or municipal bonds (Non-Montana)	21.				21.
22. Federal income tax refunds received (For taxes deducted in an earlier year)	22.				22.
23. Other additions, transfer allocation of income (see instructions) (specify _____)	23.				23.
24. Total additions to income (Add lines 21 thru 23) TOTAL	24.				24.
25. Add lines 20 and 24, enter result	25.				25.

REDUCTIONS

26. Capital gains exclusion (see instructions and worksheet page 5)	26.				26.
27. Interest exclusion for elderly	27.				27.
28. Interest exclusion for savings bonds, etc. (specify _____)	28.				28.
29. Exempt retirement income (see worksheet; page 5)	29.				29.
30. Unemployment	30.				30.
31. Tip Income	31.				31.
32. Other reductions, state refund, transfer allocation of income, recycling of material (see instructions) (specify _____) NEW	32.				32.
33. Total reductions to income (Add lines 26 thru 32) TOTAL	33.				33.
34. Subtract line 33 from 25. Enter amount here and on line 35, page 2	34.				34.

FOLD ON LINE AND REMOVE

AGI
DEDUCTIONS
EXEMPTIONS

Last Name and Initial	Social Security Number - -	COLUMN A (For single joint, separate or head of household)	COLUMN B (For spouse only when filing separate, and box 3 is checked)	
35. MONTANA ADJUSTED GROSS INCOME (From line 34)	35.			35.
DEDUCTIONS				
Check only one				
36. Itemized Deductions: Enter total from Form 2A, line 90 or line 91	(A) <input type="checkbox"/>			
Standard Deduction: Enter 20% of line 35 (but not more than \$2,540.)	(B) <input type="checkbox"/>			
Not more than \$5,080 if filing joint or head of household)				
36.				36.
37. Subtract line 36 from 35 and enter balance	▶			37.
EXEMPTIONS				
38. Multiply \$1,360 times the number of exemptions on line 5	38.			38.
39. TAXABLE INCOME. Subtract line 38 from line 37 (But not less than zero)	▶			39.

TAX COMPUTATION

Nonresidents and Part-Year Residents See Instructions, Pages 13-14 NEW

40. Tax from tax table below or Schedule IV	40.					40.					
41. Surtax—multiply amount on line 40 by 2.3% (.023) NEW	41.					41.					
42. Tax on lump sum distributions (See instructions page 7)	42.					42.					
43. Subtotal—Add lines 40, 41 and 42.	SUBTOTAL ▶					43.					
44. Credits from Form 2A, line 106	44.					44.					
45. Balance—Subtract line 44 from 43 and enter difference (But not less than zero)	▶					45.					
46. Investment credit recapture	(Attach Form R.I.C.)					46.					
47. Public Campaign Fund. You and your spouse each may contribute \$1.00	47.					47.					
48. For each of the programs below you and your spouse each may contribute \$5, 10, 20 or any amount. Enter totals in boxes. See instructions for details.											
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%; border: 1px solid black;">49. <input type="text"/></td> <td style="width:15%; border: 1px solid black;">50. <input type="text"/></td> <td style="width:15%; border: 1px solid black;">51. <input type="text"/></td> <td style="width:15%; border: 1px solid black;">52. <input type="text"/></td> <td style="width:40%;">Enter total amount in boxes</td> </tr> </table>	49. <input type="text"/>	50. <input type="text"/>	51. <input type="text"/>	52. <input type="text"/>	Enter total amount in boxes	▶					48.
49. <input type="text"/>	50. <input type="text"/>	51. <input type="text"/>	52. <input type="text"/>	Enter total amount in boxes							
53. TOTAL TAX—Add lines 45, 46, 47 and 48	TOTAL ▶					53.					
54. Combine amounts shown on line 53, columns A & B	▶					54.					

PAYMENTS AND CREDITS

55. Montana tax withheld	(Attach withholding statements)	55.				55.
56. Payments on 1992 estimated tax, amounts credited from previous year and/or payments made with extension	56.					56.
57. Homeowner or Renter Credit	(Attach Form 2EC)	57.				57.
58. Total of lines 55 thru 57	TOTAL ▶	58.				58.
59. Combine amounts shown on line 58 columns A & B	▶	59.				59.

REFUND OR AMOUNT YOU OWE

60. If line 59 is larger than line 54 enter amount OVERPAID	60.					60.		
61. Amount on line 60 to be Refunded to You	REFUND ▶	61.				61.		
62. Amount on line 60 to be applied to 1993 estimate	62. <input type="text"/>							
63. If line 54 is larger than line 59 enter TAX DUE. Attach check or money order for full amount if \$1.00 or more. Payable to State Treasurer	TAX DUE ▶	63.				63.		
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border: 1px solid black;"> Mail to: Income Tax Division Montana Dept. of Revenue P.O. Box 5805 Helena, Montana 59604-5805 </td> <td style="width:50%; border: 1px solid black;"> Late filing penalty Late payment penalty Interest 3/4% (.0075) per month Total of Lines 63, 64, 65 & 66 </td> </tr> </table>	Mail to: Income Tax Division Montana Dept. of Revenue P.O. Box 5805 Helena, Montana 59604-5805	Late filing penalty Late payment penalty Interest 3/4% (.0075) per month Total of Lines 63, 64, 65 & 66	64.					64.
Mail to: Income Tax Division Montana Dept. of Revenue P.O. Box 5805 Helena, Montana 59604-5805	Late filing penalty Late payment penalty Interest 3/4% (.0075) per month Total of Lines 63, 64, 65 & 66							
	65.					65.		
	66.					66.		
	67.					67.		

PLEASE SIGN HERE

Name, Address and Telephone number of preparer _____ Post dated checks will be returned

My/our initials authorize the State to contact the preparer regarding this return. I/we waive my/our constitutional right of privacy for this limited purpose. NEW

If you do not need state income tax forms and instructions mailed to you next year, check box.

Your signature _____ Date _____ Telephone Number _____ Spouses signature (if filing jointly, both must sign) _____ Date _____

I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

TAX TABLE

If Taxable Income is:				If Taxable Income is:			
Over	But not over	Multiply by	and Subtract = Tax	Over	But not over	Multiply by	and Subtract = Tax
\$ 0	\$ 1,700	x .2%	\$ 0	\$ 13,600	\$ 17,000	x 7%	\$ 357
\$ 1,700	\$ 3,400	x .3%	\$ 17	\$ 17,000	\$ 23,700	x 8%	\$ 527
\$ 3,400	\$ 6,800	x .4%	\$ 51	\$ 23,700	\$ 33,900	x 9%	\$ 764
\$ 6,800	\$ 10,200	x .5%	\$ 119	\$ 33,900	\$ 59,400	x 10%	\$ 1,103
\$ 10,200	\$ 13,600	x .6%	\$ 221	\$ 59,400		x 11%	\$ 1,697

Example = taxable income \$2,000 x 3% (.03) = \$60 subtract \$17 = \$43 tax

FOLD ON LINE AND REMOVE

FORM 2 — Montana Individual Income Tax Return — 1992

OR FISCAL year beginning _____, 1992 and ending _____, 19____

LAST NAME	First Name & Initial	Your Social Security No.			
Spouse's Last Name If Different	Spouse's First Name & Initial	Spouse's Social Security No.			
MAILING ADDRESS		City State Zip Code + 4			
Filing Status Check One: 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing joint return 3 <input type="checkbox"/> Married and both filing separate returns on this form 4 <input type="checkbox"/> Married and both filing separate returns on separate forms 5 <input type="checkbox"/> Married filing separate return and spouse is not filing 6 <input type="checkbox"/> Head of Household (see instructions)					
Residency Check One: 1 <input type="checkbox"/> Resident Full Year 2 <input type="checkbox"/> Nonresident Full Year 3 <input type="checkbox"/> Resident Part Year Give date of change: _____ State moved to: _____ State moved from: _____					
EXEMPTIONS Regular 65 or Over Blind		COLUMN A (For single joint, separate, or head of household) COLUMN B (For spouse only when filing separate, and box 3 is checked)			
1. Yourself	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked	<input type="checkbox"/>	1
2. Spouse	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked	<input type="checkbox"/>	2
3. Number of exemptions claimed for dependents. See page 3 of instructions				<input type="checkbox"/>	3
4. Number of exemptions claimed for handicapped children. See page 3 of instructions				<input type="checkbox"/>	4
5. Add lines 1, 2, 3, and 4			Total Number Exemptions	<input type="checkbox"/>	5

DO NOT USE THIS SPACE

INCOME REPORTED ON FEDERAL RETURN

Note: Line 20 *must* match your Federal Adjusted Gross Income

ROUND TO NEAREST DOLLAR
 COLUMN A (For single joint, separate, or head of household)
 COLUMN B (For spouse only when filing separate, and box 3 is checked)

6. Wages, salaries, tips, etc. (Attach W-2's)	6.				6.
7. Taxable interest income (Attach Federal Schedule if over \$400)	7.				7.
8. Dividend income (Attach Federal Schedule if over \$400)	8.				8.
9. Net business income (Attach Federal Schedule C or C-EZ)	9.				9.
10. Capital gain or (loss) (Attach Federal Schedule D)	10.				10.
11. Supplemental gains or (losses) (Attach Federal Form 4797)	11.				11.
12. Rents, royalties, partnerships, estates, trusts, etc. (Attach Federal Schedule E & 8582)	12.				12.
13. Net farm income (Attach Federal Schedule F)	13.				13.
14a. Social Security Benefits 14a. _____ 14b. Taxable amount	14b.				14b.
15a. Total IRA distributions 15a. _____ 15b. Taxable amount (Attach 1099)	15b.				15b.
16a. Total pensions and annuities 16a. _____ 16b. Taxable amount (Attach 1099)	16b.				16b.
17. Other income (State Ref. _____ alimony _____ unemployment _____, etc., specify _____)	17.				17.
18. Total of lines 6 thru 17 TOTAL ▶	18.				18.
19. Adjustments to income. Allowable IRA deduction _____ S.E. Tax _____ S.E. Health Insurance _____ Keogh/SEP _____ Other _____	19.				19.
20. FEDERAL ADJUSTED GROSS INCOME (subtract line 19 from 18) ▶	20.				20.

INCOME REPORTED FROM FEDERAL RETURN

ATTACH PAYMENT HERE

FOLD ON LINE AND REMOVE

ADDITIONS

21. Interest on state, county or municipal bonds (Non-Montana)	21.				21.
22. Federal income tax refunds received (For taxes deducted in an earlier year)	22.				22.
23. Other additions, transfer allocation of income (see instructions) (specify _____)	23.				23.
24. Total additions to income (Add lines 21 thru 23) TOTAL ▶	24.				24.
25. Add lines 20 and 24, enter result	25.				25.

REDUCTIONS

26. Capital gains exclusion (see instructions and worksheet page 5)	26.				26.
27. Interest exclusion for elderly	27.				27.
28. Interest exclusion for savings bonds, etc. (specify _____)	28.				28.
29. Exempt retirement income (see worksheet; page 5)	29.				29.
30. Unemployment	30.				30.
31. Tip Income	31.				31.
32. Other reductions, state refund, transfer allocation of income, recycling of material (see instructions) (specify _____) NEW	32.				32.
33. Total reductions to income (Add lines 26 thru 32) TOTAL ▶	33.				33.
34. Subtract line 33 from 25. Enter amount here and on line 35, page 2 ▶	34.				34.

ATTACH WITHHOLDING STATEMENTS HERE

AGI
DEDUCTIONS
EXEMPTIONS

Last Name and Initial	Social Security Number - -	COLUMN A (For single joint, separate or head of household)	COLUMN B (For spouse only when filing separate, and box 3 is checked)
35. MONTANA ADJUSTED GROSS INCOME (From line 34)	35.		
DEDUCTIONS			
		Check only one	
36. Itemized Deductions: Enter total from Form 2A, line 90 or line 91	(A) <input type="checkbox"/>		
Standard Deduction: Enter 20% of line 35 (but not more than \$2,540.)	(B) <input type="checkbox"/>		
Not more than \$5,080 if filing joint or head of household)	36.		
37. Subtract line 36 from 35 and enter balance	▶ 37.		
EXEMPTIONS			
38. Multiply \$1,360 times the number of exemptions on line 5	38.		
39. TAXABLE INCOME. Subtract line 38 from line 37 (But not less than zero)	▶ 39.		

TAX COMPUTATION

Nonresidents and Part-Year Residents See Instructions, Pages 13-14 ← NEW

40. Tax from tax table below or Schedule IV	40.									
41. Surtax—multiply amount on line 40 by 2.3% (.023) ← NEW	41.									
42. Tax on lump sum distributions (See instructions page 7)	42.									
43. Subtotal—Add lines 40, 41 and 42.	SUBTOTAL ▶ 43.									
44. Credits from Form 2A, line 106	44.									
45. Balance—Subtract line 44 from 43 and enter difference (But not less than zero)	▶ 45.									
46. Investment credit recapture	(Attach Form R.I.C.) 46.									
47. Public Campaign Fund. You and your spouse each may contribute \$1.00	47.									
48. For each of the programs below you and your spouse each may contribute \$5, 10, 20 or any amount. Enter totals in boxes. See instructions for details.										
<table style="width:100%; border:none;"> <tr> <td style="width:15%; text-align:center;"> Nongame Wildlife Program 49. <input type="text"/> </td> <td style="width:15%; text-align:center;"> Child Abuse Prevention 50. <input type="text"/> </td> <td style="width:15%; text-align:center;"> Agriculture in MT Schools 51. <input type="text"/> </td> <td style="width:15%; text-align:center;"> DARE Program 52. <input type="text"/> </td> <td style="width:40%;"> Enter total amount in boxes ▶ 48. </td> </tr> </table>	Nongame Wildlife Program 49. <input type="text"/>	Child Abuse Prevention 50. <input type="text"/>	Agriculture in MT Schools 51. <input type="text"/>	DARE Program 52. <input type="text"/>	Enter total amount in boxes ▶ 48.	48.				
Nongame Wildlife Program 49. <input type="text"/>	Child Abuse Prevention 50. <input type="text"/>	Agriculture in MT Schools 51. <input type="text"/>	DARE Program 52. <input type="text"/>	Enter total amount in boxes ▶ 48.						
53. TOTAL TAX—Add lines 45, 46, 47 and 48	TOTAL ▶ 53.									
54. Combine amounts shown on line 53, columns A & B	▶ 54.									

PAYMENTS AND CREDITS

55. Montana tax withheld	(Attach withholding statements) 55.				
56. Payments on 1992 estimated tax, amounts credited from previous year and/or payments made with extension	56.				
57. Homeowner or Renter Credit	(Attach Form 2EC) 57.				
58. Total of lines 55 thru 57	TOTAL ▶ 58.				
59. Combine amounts shown on line 58 columns A & B	▶ 59.				

PLEASE SIGN HERE

60. If line 59 is larger than line 54 enter amount OVERPAID	60.				
61. Amount on line 60 to be Refunded to You	REFUND ▶ 61.				
62. Amount on line 60 to be applied to 1993 estimate	62. <input type="text"/>				
63. If line 54 is larger than line 59 enter TAX DUE. Attach check or money order for full amount if \$1.00 or more. Payable to State Treasurer	TAX DUE ▶ 63.				
		64.			
		65.			
		66.			
		67.			

Mail to: Income Tax Division Montana Dept. of Revenue P.O. Box 5805 Helena, Montana 59604-5805	Late filing penalty Late payment penalty Interest 3/4% (.0075) per month Total of Lines 63, 64, 65 & 66
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Post dated checks will be returned

Name, Address and Telephone number of preparer NEW

My/our initials authorize the State to contact the preparer regarding this return. I/we waive my/our constitutional right of privacy for this limited purpose.	<input type="checkbox"/> If you do not need state income tax forms and instructions mailed to you next year, check box.
--	---

Your signature	Date	Telephone Number	Spouses signature (if filing jointly, both must sign)	Date
----------------	------	------------------	---	------

I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

TAX TABLE

If Taxable Income is:				If Taxable Income is:			
Over	But not over	Multiply by	and Subtract = Tax	Over	But not over	Multiply by	and Subtract = Tax
\$ 0	\$ 1,700	x .2%	\$ 0	\$ 13,600	\$ 17,000	x .7%	\$ 357
\$ 1,700	\$ 3,400	x .3%	\$ 17	\$ 17,000	\$ 23,700	x .8%	\$ 527
\$ 3,400	\$ 6,800	x .4%	\$ 51	\$ 23,700	\$ 33,900	x .9%	\$ 764
\$ 6,800	\$ 10,200	x .5%	\$ 119	\$ 33,900	\$ 59,400	x .10%	\$ 1,103
\$ 10,200	\$ 13,600	x .6%	\$ 221	\$ 59,400		x .11%	\$ 1,697

Example = taxable income \$2,000 x 3% (.03) = \$60 subtract \$17 = \$43 tax

FOLD ON LINE AND REMOVE

Last Name and Initial

Social Security Number

SCHEDULE I — ITEMIZED DEDUCTIONS

FOLD ON LINE AND REMOVE

Medical and Dental Expenses
 Taxes You Paid
 Interest You Paid
 Other
 Miscellaneous Deductions
 Total Deductions

68. Prescription medicines, drugs, insulin, doctors, dentists, hospitals, Ins. prems., transportation, lodging, hearing aids, dentures, eyeglasses 68.

69. Enter 7.5% (.075) of line 35, Form 2 69.

70. Subtract line 69 from line 68 70.

Enter amount(s) from line 70 on line 71 in corresponding column(s)

TOTAL MEDICAL AND DENTAL ▶ 71.

72. Long Term Care Insurance 72.

Federal Income Tax (Do not include self-employment tax)

73. Paid by withholding or declaration in 1992 73.

74. Balance of 1991 tax paid in 1992 74.

75. Additional tax for years _____ paid in 1992 75.

Other taxes (Do not include Montana income tax or sales tax).

76. Real estate, personal property taxes 76.

77. Motor vehicle(s) fees/taxes, other deductible taxes 77.

NOTE: Personal interest is no longer deductible

78. Home mortgage interest _____ Deductible Points _____ 78.

79. Deductible Investment Interest **Attach Federal Form 4952** 79.

80. Contributions 80.

81. Child and Dependent Care Expense—Montana Form 2441M (Federal schedule not accepted) 81.

82. Casualty and Theft Losses . (Less exclusion—**Attach Federal Form 4684**) 82.

83. Moving Expense (**Attach Federal Form 3903**) 83.

84. Unreimbursed business expenses (Attach 2106) 84.

85. Other expenses (List type & amount) _____ 85.

86. Add lines 84 and 85 86.

87. Enter 2% (.02) of line 36, Form 2 87.

88. Subtract line 87 from 86 enter balance in corresponding column(s) (If less than zero enter zero.) 88.

89. Misc. deduction not subject to 2% A.G.I. (list type, & amount) _____ 89.

90. Add lines 71-83, 88 and 89 **TOTAL DEDUCTIONS** ▶ 90.

If the amount on Form 2, line 35, is less than \$105,250 if filing joint, single or head of household, or is less than \$52,625 if you are married filing separately, enter the amount from line 90, on Form 2, line 36.

91. **ALLOWABLE DEDUCTIONS** ▶ 91.

If the amount on Form 2, line 35, is more than \$105,250 if filing joint or single, or is more than \$52,625 if you are married filing separately, see page 9 of the instructions for the amount to enter on line 91.

		COLUMN A (For single, joint, separate or head of household)	COLUMN B (For spouse)	
		ROUND TO NEAREST DOLLAR		
				71.
				72.
				73.
				74.
				75.
				76.
				77.
				78.
				79.
				80.
				81.
				82.
				83.
				84.
				85.
				86.
				87.
				88.
				89.
				90.
				91.

Last Name and Initial

Social Security Number

SCHEDULE II — CREDITS AGAINST TAX

		COLUMN A (For single, joint, separate or head of household)	COLUMN B (For spouse)	
92. Physician Credit for Rural Practice (See instructions)	92.			92.
93. College Contribution Tax Credit Attach Form CC (See instructions)	93.			93.
94. Credit for elderly care Attach Form ECC	94.			94.
95. Credit allowed residents for income taxes paid to other states or countries From Schedule III	95.			95.
96. Contractor's gross receipts tax credit Attach computation	96.			96.
97. Investment credit From Schedule VI	97.			97.
98. Credit for installation of Nonfossil/Biomass/Pellet/Geothermal energy systems Attach Form ENRG-B	98.			98.
99. Credit for investment in energy conservation installations Attach Form ENRG-C	99.			99.
100. Credit for wind-powered generation equipment Attach Form 2WPC	100.			100.
101. Recycling Credit Attach Form RCYL	101.			101.
102. Montana Capital Company Credit (See instructions)	102.			102.
103. Dependent Care Assistance Credit (Employer) Attach Form DCAC	103.			103.
104. Health Insurance for Uninsured Montanans . (Employer) Attach Form HI	104.			104.
105. All other credits (Attach detailed explanation)	105.			105.
106. Total credits—Enter here and on Form 2, line 44	106.			106.

NEW

NEW

NEW

SCHEDULE III — NONRESIDENT/PART YEAR RESIDENT ALLOCATION INCOME REPORTABLE TO MONTANA

Show only portions derived from Montana sources

		Yourself Column A	Spouse Column B	
107. Wages, Salaries, Tips	107.			107.
108. Interest Income	108.			108.
109. Dividend Income	109.			109.
110. Net Business Income	110.			110.
111. Capital Gain or (Loss)	111.			111.
112. Supplemental Gain or (Loss)	112.			112.
113. Rents, Royalties, Partnerships, Etc.	113.			113.
114. Net Farm Income	114.			114.
115. Taxable portion of Social Security	115.			115.
116. Taxable Pensions, Etc.	116.			116.
117. Other Income (State Refund and/or Federal Refund, Etc.)	117.			117.
118. Montana Total Income	118.			118.

Attach copy of Federal Return

NEW

SCHEDULE IV — NONRESIDENT/PART YEAR RESIDENT TAX COMPUTATION

		COLUMN A	COLUMN B	
119. Montana Total Income from Line 118 above	119.			119.
120. Enter Federal Income from line 18, plus amounts on lines 21 and 22, Form 2	120.			120.
121. Divide amount on line 119 by amount on line 120	121.	%	%	121.
122. Amount from line 39, Form 2 (taxable income)	122.			122.
123. Calculate tax on amount on line 122 using tax table on Form 2, page 2	123.			123.
124. Nonresident tax: Multiply percentage on line 121 by amount on line 123 and enter result on line 40, Form 2, this is the amount of your tax	124.			124.

FOLD ON LINE AND REMOVE

Last Name and Initial

Social Security Number

SCHEDULE I — ITEMIZED DEDUCTIONS

FOLD ON LINE AND REMOVE

Medical and Dental Expenses

Taxes You Paid

Interest You Paid

Other

Miscellaneous Deductions

Total Deductions

68. Prescription medicines, drugs, insulin, doctors, dentists, hospitals, ins. prems., transportation, lodging, hearing aids, dentures, eyeglasses 68.

69. Enter 7.5% (.075) of line 35, Form 2 69.

70. Subtract line 69 from line 68 70.

Enter amount(s) from line 70 on line 71 in corresponding column(s)

TOTAL MEDICAL AND DENTAL ▶ 71.

72. Long Term Care Insurance 72.

Federal Income Tax (Do not include self-employment tax)

73. Paid by withholding or declaration in 1992 73.

74. Balance of 1991 tax paid in 1992 74.

75. Additional tax for years _____ paid in 1992 75.

Other taxes (Do not include Montana income tax or sales tax).

76. Real estate, personal property taxes 76.

77. Motor vehicle(s) fees/taxes, other deductible taxes 77.

NOTE: Personal interest is no longer deductible

78. Home mortgage interest _____ Deductible Points _____ 78.

79. Deductible Investment Interest **Attach Federal Form 4952** 79.

80. Contributions 80.

81. Child and Dependent Care Expense—Montana Form 2441M (Federal schedule not accepted) 81.

82. Casualty and Theft Losses . (Less exclusion—**Attach Federal Form 4684**) 82.

83. Moving Expense (**Attach Federal Form 3903**) 83.

84. Unreimbursed business expenses (Attach 2106) 84.

85. Other expenses (List type & amount) _____ 85.

86. Add lines 84 and 85 86.

87. Enter 2% (.02) of line 36, Form 2 87.

88. Subtract line 87 from 86 enter balance in corresponding column(s) (If less than zero enter zero.) 88.

89. Misc. deduction not subject to 2% A.G.I. (list type, & amount) _____ 89.

90. Add lines 71-83, 88 and 89 **TOTAL DEDUCTIONS ▶ 90.**

If the amount on Form 2, line 35, is less than \$105,250 if filing joint, single or head of household, or is less than \$52,625 if you are married filing separately, enter the amount from line 90, on Form 2, line 36.

91. **ALLOWABLE DEDUCTIONS** ▶ 91.

If the amount on Form 2, line 35, is more than \$105,250 if filing joint or single, or is more than \$52,625 if you are married filing separately, see page 9 of the instructions for the amount to enter on line 91.

	COLUMN A (For single, joint, separate or head of household)		COLUMN B (For spouse)	
ROUND TO NEAREST DOLLAR				
				71.
				72.
				73.
				74.
				75.
				76.
				77.
				78.
				79.
				80.
				81.
				82.
				83.
				88.
				89.
				90.
				91.

Last Name and Initial

Social Security Number

SCHEDULE II — CREDITS AGAINST TAX

	COLUMN A (For single, joint, separate or head of household)	COLUMN B (For spouse)	
92. Physician Credit for Rural Practice (See instructions)			92.
93. College Contribution Tax Credit Attach Form CC (See instructions)			93.
94. Credit for elderly care Attach Form ECC			94.
95. Credit allowed residents for income taxes paid to other states or countries From Schedule III			95.
96. Contractor's gross receipts tax credit Attach computation			96.
97. Investment credit From Schedule VI			97.
98. Credit for installation of Nonfossil/Biomass/Pellet/Geothermal energy systems Attach Form ENRG-B			98.
99. Credit for investment in energy conservation installations Attach Form ENRG-C			99.
100. Credit for wind-powered generation equipment Attach Form 2WPC			100.
101. Recycling Credit Attach Form RCYL			101.
102. Montana Capital Company Credit (See instructions)			102.
103. Dependent Care Assistance Credit (Employer) Attach Form DCAC			103.
104. Health Insurance for Uninsured Montanans . (Employer) Attach Form HI			104.
105. All other credits (Attach detailed explanation)			105.
106. Total credits—Enter here and on Form 2, line 44			106.

NEW

NEW

NEW

SCHEDULE III — NONRESIDENT/PART YEAR RESIDENT ALLOCATION INCOME REPORTABLE TO MONTANA

Show only portions derived from Montana sources

	Yourselves Column A	Spouse Column B	
107. Wages, Salaries, Tips			107.
108. Interest Income			108.
109. Dividend Income			109.
110. Net Business Income			110.
111. Capital Gain or (Loss)			111.
112. Supplemental Gain or (Loss)			112.
113. Rents, Royalties, Partnerships, Etc.			113.
114. Net Farm Income			114.
115. Taxable portion of Social Security			115.
116. Taxable Pensions, Etc.			116.
117. Other Income (State Refund and/or Federal Refund, Etc.)			117.
118. Montana Total Income			118.

Attach copy of Federal Return

NEW

SCHEDULE IV — NONRESIDENT/PART YEAR RESIDENT TAX COMPUTATION

	COLUMN A	COLUMN B	
119. Montana Total Income from Line 118 above			119.
120. Enter Federal Income from line 18, plus amounts on lines 21 and 22, Form 2			120.
121. Divide amount on line 119 by amount on line 120	%	%	121.
122. Amount from line 39, Form 2 (taxable income)			122.
123. Calculate tax on amount on line 122 using tax table on Form 2, page 2			123.
124. Nonresident tax: Multiply percentage on line 121 by amount on line 123 and enter result on line 40, Form 2, this is the amount of your tax			124.

FOLD ON LINE AND REMOVE

R

Form 2EC
(Rev. 8/92)

Montana

1992

ELDERLY HOMEOWNER/RENTER CREDIT

1992

File on or before April 15, 1993 or with your Form 2 or 2S

DO NOT USE THIS SPACE

LAST NAME	First Name & Middle Initial	Your Social Security No. — —
Spouse's last name if different	Spouse's First Name & Initial	Spouse's Social Security No. — —
Mailing Address	City	State Zip Code + 4

PART I IF THE ANSWER TO ANY OF THE QUESTIONS BELOW IS NO, YOU'RE NOT ELIGIBLE FOR THE CREDIT. DO NOT COMPLETE THIS SCHEDULE.	YES	NO
Were you age 62 or older as of December 31, 1992?		
Did you reside in this state for 9 months or more during 1992?		
Did you occupy Montana residence(s) as an owner or renter a total of 6 months during 1992?		

PART II—List Income From All Members of the Household (See Instructions)

- Enter total income received from wages, fees, bonuses, all capital gains, ordinary income, dividends and interest 1. _____
- Enter total income for business, partnerships, rents, royalties, etc. (Do not include any losses) 2. _____
- Enter any payments and interest on federal, state, county and municipal bonds 3. _____
- Enter alimony, public assistance, unemployment, tax refunds, etc. 4. _____
- Enter all pensions and annuities, including Railroad Retirement, PERS, Veteran's Disability, Social Security income. (Do not include Social Security paid directly to a nursing home) 5. _____
- Total income (Add lines 1 thru 5) TOTAL ► 6. _____
- Enter the amount from line 5 6a. _____
- Multiply the amount on Line 6a times 50% (.5) and enter the result here 7. _____
- Enter the greater of \$4,000 or the amount on line 7 8. (_____)
- Total household income. Subtract line 8 from line 6 (If less than zero enter zero) TOTAL ► 9. _____

PLEASE FOLLOW INSTRUCTIONS ON THE BACK WHEN COMPLETING THIS FORM

HOMEOWNER—Complete line 10 (Renters—Use line 11)

- General property tax paid on residence and land in 1992 Not to exceed 1 acre, do not include special assessments or fees. (See instructions) 10. _____

RENTER—Complete form on reverse side

- Rent paid on residence in 1992 (attach signed rent receipts) 11. _____
- Rent equivalent—Multiply line 11 by 15% (.15) 12. _____
- Total of allowable property tax and/or allowable rents paid—Line 10 and/or line 12 ► 13. _____

PERCENT OF HOUSEHOLD INCOME COMPUTATION

- Total household income from line 9 14. _____
- Enter multiplier figure from tax table on reverse side 15. _____
- Net allowable household income—Multiply line 14 by line 15 16. _____
- Subtract line 16 from line 13 (If this is zero or less, you cannot take the credit; do not file this form) 17. _____
- Enter the amount from line 17 or \$400 whichever is smaller (The maximum refund is \$400) ► 18. _____

If you file a Montana State Tax Form 2, enter amount from line 18 on line 57.

If you file a Montana State Tax Form 2S, enter amount from line 18 on line 38.

If you are not required to file Form 2 or 2S, mail this form to the address stated below.

Income Tax Division, Montana Department of Revenue, P.O. Box 5805, Helena, MT 59604-5805.

REFUNDS WILL BE ISSUED THROUGH THE INCOME TAX DIVISION

I declare under penalty of false swearing that the information in this return and attachment is true, correct and complete.

_____ Your signature	_____ Date	_____ Telephone Number	_____ Spouse's signature	_____ Date
-------------------------	---------------	---------------------------	-----------------------------	---------------

RETURN WILL NOT BE PROCESSED WITHOUT PROPERTY TAX CERTIFICATION, PAID PROPERTY TAX OR RENT RECEIPT(S) ATTACHED

FOLD ON LINE AND REMOVE

**Elderly Homeowner or Renter Credit
Instructions (principle resident only)**

The elderly homeowner or renter credit is for your use if you're 62 years old or older. A credit for a portion of your property taxes or rent paid may be used against your state income tax liability or as a direct refund even if you're not required to file a Montana state return.

Please read the instructions and complete the form to see if you qualify for the credit.

Additional help is available by calling 406-444-2837.

Part I

Answer all questions. If the answer to any question is no, you are **not** eligible for the credit.

Part II

Household income—Include all income received by you and any members of your household. **Only one claim is allowed per household.**

Lines 1-6. Enter on lines 1 thru 5 your income from the various sources, and enter the total on line 6. (Do not include any Social Security paid directly to a nursing home on line 5).

Line 7. Multiply your total retirement income on **line 6a** times 50% (.5) and enter the result on line 7.

Line 8. Household Exclusion. Enter the greater of the amount on line 7 or \$4,000 on line 8.

Line 9. Subtract the amount on line 8 from line 6 and enter balance. (If less than zero enter zero)

HOMEOWNERS.

Line 10. (Include a copy of your paid property tax receipt, property tax certification form, or a letter from your County Treasurer showing total **general** property taxes paid in 1992.)

Enter your taxes paid in 1992 on your residence and surrounding land (not in excess of 1 acre). Do not include special assessments, penalties or interest.

(Special assessments include: transit fees, city assessment, sprinkling, sanitation, maintenance fees, garbage, landfill, storm sewer, paving, lighting, irrigation, water system, sweeping, T.V. district, predator or mosquito control, livestock, rural fire, and any special improvement district (S.I.D.) charges.)

Contact your County Treasurer for the correct tax figures if you have questions.

To figure your tax on residences over 1 acre:

Ask your county assessor for the taxable value of your residence and land not exceeding one acre. Multiply the taxable value, by the district mill levy and enter result on line 10.

Skip lines 11 and 12 and enter your allowable tax from line 10 on line 13.

RENTERS. (Complete box at bottom.)

Renters of subsidized housing are eligible to apply.

Line 11—Enter the amount of rent you paid in 1992. Signed rent receipts must be attached.

Line 12—Multiply line 11 by 15% (.15). Enter the result and on line 13.

HOMEOWNERS and RENTERS

If you own your home and rent the land or rent your home and own the land:

Enter your taxes paid on line 10. Enter your rent paid on line 11. Add lines 10 and 12 and enter total on line 13.

Line 14—Enter your household income from line 9.

Line 15—From the table below enter your multiplier based on your household income. (Example: Household income = \$8,500, multiplier = .039.)

Line 16—Multiply line 14 by line 15 and enter the result.

Line 17—Subtract line 16 from line 13. (Not less than zero.)

Line 18—Enter the amount from line 17 or \$400, whichever is smaller. This is the amount of your credit.

If you file a Montana individual income tax return, enter this amount on line 57, Form 2, page 2 or Form 2S line 38. If you don't file, mail this form to Income Tax Division, Montana Department of Revenue, P. O. Box 5805, Helena, MT 59604-5805.

FOLD ON LINE AND REMOVE

HOUSEHOLD INCOME REDUCTION TABLE

If your HOUSEHOLD INCOME on line 9 is:		Your multiplier for line 15 is:
At least	But not more than	
\$ 0	\$ 1,999	0
2,000	2,999	.006
3,000	3,999	.016
4,000	4,999	.024
5,000	5,999	.028
6,000	6,999	.032
7,000	7,999	.035
8,000	8,999	.039
9,000	9,999	.042
10,000	10,999	.045
11,000	11,999	.048
12,000 & over		.050

**Signed Rent Receipts must be attached
This is not a substitute for rent receipts.**

RENTER COMPLETE LINES A THRU F	
A.	Name of landlord _____
B.	Address of landlord _____
C.	Is your landlord a relative? <input type="checkbox"/> Yes: Relationship _____ <input type="checkbox"/> No
D.	Telephone number of landlord _____
E.	How many months did you rent in 1992? _____
F.	Enter here and on line 11 the total amount of rent paid in 1992. \$ _____
If more than (1) landlord—please list on separate sheet.	

R

Form 2EC
(Rev. 8/92)

Montana

1992

ELDERLY HOMEOWNER/RENTER CREDIT

1992

File on or before April 15, 1993 or with your Form 2 or 2S

DO NOT USE THIS SPACE

LAST NAME	First Name & Middle Initial	Your Social Security No. — —
Spouse's last name if different	Spouse's First Name & Initial	Spouse's Social Security No. — —
Mailing Address	City	State Zip Code + 4

PART I IF THE ANSWER TO ANY OF THE QUESTIONS BELOW IS NO, YOU'RE NOT ELIGIBLE FOR THE CREDIT. DO NOT COMPLETE THIS SCHEDULE.	YES	NO
Were you age 62 or older as of December 31, 1992?		
Did you reside in this state for 9 months or more during 1992?		
Did you occupy Montana residence(s) as an owner or renter a total of 6 months during 1992?		

PART II—List Income From All Members of the Household (See Instructions)

1. Enter total income received from wages, fees, bonuses, all capital gains, ordinary income, dividends and interest 1. _____
2. Enter total income for business, partnerships, rents, royalties, etc. (**Do not include any losses**) 2. _____
3. Enter any payments and interest on federal, state, county and municipal bonds 3. _____
4. Enter alimony, public assistance, unemployment, tax refunds, etc. 4. _____
5. Enter all pensions and annuities, including Railroad Retirement, PERS, Veteran's Disability, Social Security income. (Do not include Social Security paid directly to a nursing home) 5. _____
6. Total income (Add lines 1 thru 5) TOTAL ► 6. _____
- 6a. Enter the amount from line 5 6a. _____
7. Multiply the amount on **Line 6a** times 50% (.5) and enter the result here 7. _____
8. Enter the greater of \$4,000 of the amount on line 7 8. (_____)
9. Total household income. Subtract line 8 from line 6 (If less than zero enter zero) TOTAL ► 9. _____

PLEASE FOLLOW INSTRUCTIONS ON THE BACK WHEN COMPLETING THIS FORM

HOMEOWNER—Complete line 10 (**Renters**—Use line 11)

10. General property tax paid on residence and land in 1992 **Not to exceed 1 acre, do not include special assessments or fees.** (See instructions) 10. _____

RENTER—Complete form on reverse side

11. Rent paid on residence in 1992 (attach signed rent receipts) 11. _____
12. Rent equivalent—Multiply line 11 by 15% (.15) 12. _____
13. Total of allowable property tax and/or allowable rents paid—Line 10 and/or line 12 ► 13. _____

PERCENT OF HOUSEHOLD INCOME COMPUTATION

14. Total household income from line 9 14. _____
15. Enter multiplier figure from tax table on reverse side 15. _____
16. Net allowable household income—Multiply line 14 by line 15 16. _____
17. Subtract line 16 from line 13 (If this is zero or less, you cannot take the credit; do not file this form) 17. _____
18. Enter the amount from line 17 or \$400 whichever is smaller (The maximum refund is \$400) ► 18. _____

If you file a Montana State Tax Form 2, enter amount from line 18 on line 57.

If you file a Montana State Tax Form 2S, enter amount from line 18 on line 38.

If you are not required to file Form 2 or 2S, mail this form to the address stated below.

Income Tax Division, Montana Department of Revenue, P.O. Box 5805, Helena, MT 59604-5805.

REFUNDS WILL BE ISSUED THROUGH THE INCOME TAX DIVISION

I declare under penalty of false swearing that the information in this return and attachment is true, correct and complete.

Your signature

Date

Telephone Number

Spouse's signature

Date

RETURN WILL NOT BE PROCESSED WITHOUT PROPERTY TAX CERTIFICATION, PAID PROPERTY TAX OR RENT RECEIPT(S) ATTACHED

FOLD ON LINE AND REMOVE

MONTANA SOCIAL SECURITY WORKSHEET

For person receiving Social Security and/or Railroad Retirement

NOTE: None of your benefits are taxable to Montana if:

- A. The only retirement you receive is Railroad Retirement income, or
 B. Your Federal Adjusted gross income plus all exempt income is less than 1) \$32,000 if you are filing a joint return,
 2) \$25,000 if you file a single return, or 3) \$16,000 if you are filing married filing separate on the same form.

If you fall into one of the above categories, enter any benefits taxable to federal on line 32 of Form 2. Do not fill out this form.

The taxable portion of your Social Security to Montana may be different than what is taxable to federal.

This worksheet determines if there is a difference, see below.

Filing Status Check One	1 <input type="checkbox"/> Single	2 <input type="checkbox"/> Married filing joint return	3 <input type="checkbox"/> Married and both filing separate returns on this form	4 <input type="checkbox"/> Married and both filing separate returns on separate forms	5 <input type="checkbox"/> Married filing separate return and spouse is not filing	6 <input type="checkbox"/> Head of Household
----------------------------	-----------------------------------	---	--	---	--	---

	COLUMN A (For yourself, joint separate or single)	COLUMN B (For spouse)	
1. Federal Adjusted Gross Income			1.
Subtractions			
2. Enter Social Security and/or Railroad Retirement included in Federal Adjusted Gross Income	2.	2.	2.
3. Capital Gain(s) and Interest for Elderly Exclusions, tips State refund (if included in other income)	3.	3.	3.
4. Enter Exempt Retirement Income for Montana purposes	4.	4.	4.
(Complete Retirement Worksheet on page 5 of the instructions)			
5. Total Reductions—Add lines 2, 3 & 4		5.	5.
6. Sub-Total—subtract line 5 from line 1		6.	6.
Additions			
7. Enter Total Interest on All State and County Municipal Bonds	7.	7.	7.
8. Enter Federal refund received	8.	8.	8.
9. Total additions: Add lines 7 and 8		9.	9.
10. Modified Adjusted Gross—Add lines 6 and 9		10.	10.
11. Enter One-Half (50%) of the Social Security benefits received during 1992		11.	11.
12. Add lines 10 and 11		12.	12.
\$25,000 in Column A if you checked Box 1 or 6			
13. Enter \$32,000 in Column A if you checked Box 2		13.	13.
\$16,000 in Column A and B if you checked Box 3			
—0— if you checked Box 4 or 5			
14. Subtract line 13 from line 12		14.	14.
IF LINE 14 IS NEGATIVE, ENTER THE AMOUNT FROM LINE 2 ABOVE ON FORM 2 LINE 32 NONE OF YOUR SOCIAL SECURITY BENEFITS ARE TAXABLE TO MONTANA.			
15. If line 14 is not negative, enter one-half (50%) of the amount on line 14		15.	15.
16. Enter the amount from line 15 or line 11, whichever is smaller		16.	16.
17. Enter the amount of Social Security that is taxable on your Federal return		17.	17.
18. A. If line 17 is greater than line 16, enter difference here and on line 32 of Form 2.			
B. If Line 16 is greater than line 17 enter difference here and on line 23 of Form 2.			
C. No adjustment is necessary if Lines 16 & 17 are the same		18.	18.

FOLD ON LINE AND REMOVE

The taxable portion of your Social Security to Montana can be different than what is taxable to federal. The worksheet determines if there is a difference. If additional help is needed, call 406-444-2837.

SHORT FORM 2S — Montana Individual Income Tax Return — 1992

Full Year Resident Only



NAME AND ADDRESS	LAST NAME Your First Name & Middle Initial	Your Social Security No. — — — — —
	Spouse's Last Name If Different Spouse's First Name & Initial	Spouse's Social Security No. — — — — —
	City	State
	Mailing Address Zip Code + 4	

DO NOT USE THIS SPACE

CORRECT MAILING LABEL IF NECESSARY	Filing Status Check One	1 <input type="checkbox"/> Single	2 <input type="checkbox"/> Married filing joint return	3 <input type="checkbox"/> Head of Household (See Instructions)
------------------------------------	----------------------------	-----------------------------------	--	--

EXEMPTIONS		Regular	65 or Over	Blind		
1. Yourself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked	<input type="checkbox"/> 1
2. Spouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked	<input type="checkbox"/> 2
3. Number of exemptions claimed for dependents. See instructions					<input type="checkbox"/> 3
4. Number of exemptions claimed for handicapped children. See instructions					<input type="checkbox"/> 4
5. Add lines 1, 2, 3, and 4				TOTAL Number Of Exemptions	<input type="checkbox"/> 5

FILE ON OR BEFORE
APRIL 15, 1993

REPORT YOUR INCOME

6. Wages, salaries, tips, etc. (Attach W-2's)	6.				
7. Interest income (Attach Federal Schedule if over \$400)	7.				
8. Dividend income (Attach Federal Schedule if over \$400)	8.				
9. Federal Taxable Pensions, IRA Distributions, Annuities (Attach 1099)	9.				
10. Other income (unemployment, state refund, alimony, etc., specify)	10.				
11. Total of lines 6 thru 10	TOTAL ▶	11.			
12. Your allowable IRA deduction _____ Spouse's IRA _____ (per Federal worksheet)		12.			
13. FEDERAL ADJUSTED GROSS INCOME (Subtract line 12 from line 11)	▶	13.			
14. Add — Interest on state & county municipal bonds (non-Montana) and/or Federal Refund (see instructions)		14.			
15. Subtract — Exempt Retirement Income (see worksheet)		15.			
16. — Interest exclusion for elderly		16.			
17. — Interest exclusion for savings bonds, etc. (specify)		17.			
18. — Unemployment		18.			
19. — Tip Income		19.			
20. — Other reductions (state refund, etc. specify)		20.			
21. Total adjustments decreasing income (Add lines 15 thru 20)	TOTAL ▶	21.			
22. Montana adjusted gross income (Add lines 13 and 14, Subtract line 21)		22.			

ATTACH WITHHOLDING STATEMENTS

Enter the greater of: (Check only one)

23. A. <input type="checkbox"/> Standard deduction—enter 20% of line 22 but not more than \$2,540 if single. (Not more than \$5,080 if married filing a joint return or head of household)					
OR B. <input type="checkbox"/> Federal income taxes paid, withheld, and/or estimated in 1992.		23.			
24. Multiply \$1,360 times the number of exemptions in Box 5 above		24.			
25. Add lines 23 and 24	TOTAL ▶	25.			
26. Taxable income. Subtract line 25 from 22 (if less than zero enter zero)		26.			

NEW

27. Tax on amount on line 26 from tax table on back of this form	27.				
28. Surtax—Multiply amount on line 27 by 2.3% (.023).		28.			
29. Public Campaign Fund. You and your spouse each may contribute \$1 to this fund.		29.			
30. For each of the programs below, you and your spouse each may contribute \$5, \$10, \$20 or any amount. Enter totals in boxes. See Instructions for details.					

ATTACH PAYMENT

Nongame Wildlife Program	Child Abuse Prevention	Agriculture in MT Schools	DARE	Enter total amounts in boxes ...	
31. <input type="text"/>	32. <input type="text"/>	33. <input type="text"/>	34. <input type="text"/>		
35. Total Tax — Add lines 27, 28, 29, and 30				TOTAL ▶	35.
Payments & Credits					
36. Montana tax withheld (Attach withholding statements) 36.					
37. Payments on 1992 estimated tax, amounts credited from previous year and/or payments made with extension. 37.					
38. Homeowner or Renter Credit (Attach Form 2EC) 38.					
39. Add lines 36, 37 and 38					
Refund or Tax Due				REFUND ▶	40.
40. If line 39 is larger than line 35 enter difference				TAX DUE ▶	41.
41. If line 35 is larger than line 39 enter difference. Attach check or money order for full amount if \$1.00 or more. Payable to State Treasurer.					

SIGN YOUR RETURN.

Name, Address & Telephone Number of Preparer	Mail tax forms to: Income Tax Division Montana Dept. of Revenue P.O. Box 5805 Helena, Montana 59604-5805	Late filing penalty 42.	Late payment penalty 43.
		Interest 3/4% (.0075) per month 44.	Total of Lines 41, 42, 43, 44 ... 45.

Name, Address & Telephone Number of Preparer: _____ Post-Dated Checks Will Be Returned _____ Make remittance payable to State Treasurer _____

My/our initials authorize the State to contact the preparer regarding this return. I/we waive my/our constitutional right of privacy for this limited purpose. NEW If you do not need state income tax forms and instructions mailed to you next year, check box.

Your signature	Date	Telephone Number	Spouses signature (if filing jointly, both must sign)	Date
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I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

Montana Individual Income Tax—1992

Other State Credits and Investment Credits

Last Name and Initial	Social Security Number
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(If you are a part-year resident, call the Department)

SCHEDULE V—CREDIT ALLOWED RESIDENTS FOR INCOME TAXES PAID OTHER STATES OR COUNTRIES
(See page 9 of instructions)

ATTACH COPY OF OUT-OF-STATE RETURN

		COLUMN A (For yourself, joint separate or single)		COLUMN B (For spouse)	
1. Adjusted gross income from other state or country included in Montana adjusted gross income	1.				1.
2. Total Montana adjusted gross income from line 35 of return	2.				2.
3. Income tax liability to other state or country	3.				3.
4. Montana tax liability from line 43 of Form 2	4.				4.
5. Line (1) divided by line (2), but not more than 100%	5.	%		%	5.
6. Multiply amount on line (4) by the percentage on line (5)	6.				6.
7. Allowable credit is the smaller of the amount on line (3) or (6). Enter here and on Form 2A line 95, Schedule II	7.				7.

SCHEDULE VI—INVESTMENT CREDIT

(See page 9 of instructions)

		COLUMN A (For yourself, joint separate or single)		COLUMN B (For spouse)	
1. Qualified investment credit from 1992 Federal Form 3468	1.				1.
2. Enter 5% of line 1 (Not to exceed \$500)	2.				2.
3. Carryover of unused Montana investment credit (Attach breakdown by year)	3.				3.
4. Tentative Montana investment credit (Add lines 2 and 3)	4.				4.
5. Tax from line 43 of Form 2	5.				5.
6. (a) Credit for income taxes paid to other states and countries	6.a				6.a
(b) Contractor's gross receipts tax credit	6.b				6.b
7. Add lines 6 (a) and (b)	7.				7.
8. Subtract line 7 from 5	8.				8.
9. Enter here and on Form 2A, line 97, Schedule II, the amount from line 4 or line 8, whichever is smaller	9.				9.

NOTE: 1. Married persons filing separately will each use \$500 as the limits if both qualify for the credit.
2. The unused portion of the 1992 investment tax credit **may not** be carried back or carried over.

SHORT FORM 2S — Montana Individual Income Tax Return — 1992

Full Year Resident Only



LAST NAME	Your First Name & Middle Initial	Your Social Security No.
Spouse's Last Name If Different	Spouse's First Name & Initial	Spouse's Social Security No.
MAILING ADDRESS		City State Zip Code + 4

DO NOT USE THIS SPACE

CORRECT MAILING LABEL IF NECESSARY

Filing Status Check One: 1 Single 2 Married filing joint return 3 Head of Household (See Instructions)

EXEMPTIONS

	Regular	65 or Over	Blind	
1. Yourself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked <input type="checkbox"/> 1
2. Spouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter number checked <input type="checkbox"/> 2
3. Number of exemptions claimed for dependents. See instructions				<input type="checkbox"/> 3
4. Number of exemptions claimed for handicapped children. See instructions				<input type="checkbox"/> 4
5. Add lines 1, 2, 3, and 4				TOTAL Number Of Exemptions <input type="checkbox"/> 5

FILE ON OR BEFORE APRIL 15, 1993

REPORT YOUR INCOME
FOLD ON LINE AND REMOVE
ATTACH WITHHOLDING STATEMENTS

6. Wages, salaries, tips, etc. (Attach W-2's)				Round To Nearest Dollar
7. Interest income (Attach Federal Schedule if over \$400)				
8. Dividend income (Attach Federal Schedule if over \$400)				
9. Federal Taxable Pensions, IRA Distributions, Annuities (Attach 1099)				
10. Other income (unemployment, state refund, alimony, etc., specify)				
11. Total of lines 6 thru 10			TOTAL ▶	11.
12. Your allowable IRA deduction Spouse's IRA (per Federal worksheet)				12.
13. FEDERAL ADJUSTED GROSS INCOME (Subtract line 12 from line 11)			▶	13.
14. Add — Interest on state & county municipal bonds (non-Montana) and/or Federal Refund (see instructions)				14.
15. Subtract — Exempt Retirement Income (see worksheet)				15.
16. — Interest exclusion for elderly				16.
17. — Interest exclusion for savings bonds, etc. (specify)				17.
18. — Unemployment				18.
19. — Tip Income				19.
20. — Other reductions (state refund, etc. specify)				20.
21. Total adjustments decreasing income (Add lines 15 thru 20)			TOTAL ▶	21.
22. Montana adjusted gross income (Add lines 13 and 14, Subtract line 21)				22.
Enter the greater of: (Check only one)				
23. A. <input type="checkbox"/> Standard deduction—enter 20% of line 22 but not more than \$2,540 if single. (Not more than \$5,080 if married filing a joint return or head of household)				
OR B. <input type="checkbox"/> Federal income taxes paid, withheld, and/or estimated in 1992.				23.
24. Multiply \$1,360 times the number of exemptions in Box 5 above				24.
25. Add lines 23 and 24			TOTAL ▶	25.
26. Taxable income. Subtract line 25 from 22 (if less than zero enter zero)				26.
27. Tax on amount on line 26 from tax table on back of this form				27.
28. Surtax—Multiply amount on line 27 by 2.3% (.023).				28.
29. Public Campaign Fund. You and your spouse each may contribute \$1 to this fund.				29.
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Nongame Wildlife Program	Child Abuse Prevention	Agriculture in MT Schools	DARE	
31. <input type="text"/>	32. <input type="text"/>	33. <input type="text"/>	34. <input type="text"/>	Enter total amounts in boxes ... 30.
35. Total Tax — Add lines 27, 28, 29, and 30				TOTAL ▶ 35.
Payments	36. Montana tax withheld (Attach withholding statements)			36.
& Credits	37. Payments on 1992 estimated tax, amounts credited from previous year and/or payments made with extension.			37.
	38. Homeowner or Renter Credit (Attach Form 2EC)			38.
	39. Add lines 36, 37 and 38			39.
Refund or	40. If line 39 is larger than line 35 enter difference			REFUND ▶ 40.
Tax Due	41. If line 35 is larger than line 39 enter difference. Attach check or money order for full amount if \$1.00 or more. Payable to State Treasurer.			TAX DUE ▶ 41.
Mail tax forms to:		Late filing penalty		42.
Income Tax Division		Late payment penalty		43.
Montana Dept. of Revenue		Interest 3/4% (.0075) per month		44.
P.O. Box 5805		Total of Lines 41, 42, 43, 44		45.
Helena, Montana 59604-5805				

NEW
ATTACH PAYMENT

SIGN YOUR RETURN.

Name, Address & Telephone Number of Preparer _____ Post-Dated Checks Will Be Returned _____ Make remittance payable to State Treasurer _____

My/our initials authorize the State to contact the preparer regarding this return. I/we waive my/our constitutional right of privacy for this limited purpose. **NEW**

If you do not need state income tax forms and instructions mailed to you next year, check box.

Your signature _____ Date _____ Telephone Number _____ Spouses signature (if filing jointly, both must sign) _____ Date _____

I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

TAX TABLE

If Taxable Income is:				If Taxable Income is:			
Over	But not over	Multiply by	and Subtract = Tax	Over	But not over	Multiply by	and Subtract = Tax
\$ 0	\$ 1,700	x .2%	\$ 0	\$ 13,600	\$ 17,000	x .7%	\$ 357
\$ 1,700	\$ 3,400	x .3%	\$ 17	\$ 17,000	\$ 23,700	x .8%	\$ 527
\$ 3,400	\$ 6,800	x .4%	\$ 51	\$ 23,700	\$ 33,900	x .9%	\$ 764
\$ 6,800	\$ 10,200	x .5%	\$ 119	\$ 33,900	\$ 59,400	x .10%	\$ 1,103
\$ 10,200	\$ 13,600	x .6%	\$ 221	\$ 59,400		x .11%	\$ 1,697

Example = taxable income \$2,000 x 3% (.03) = \$60 subtract \$17 = \$43 tax

Have tax questions? Call weekdays (406) 444-2837
This is Not a Toll Free Number

**Income Tax Division
 Montana Department of Revenue
 Post Office Box 5805
 Helena MT 59604-5805**

BULK RATE U.S. POSTAGE PAID MONTANA DEPARTMENT OF REVENUE

Not For Return Mail

Please remove label and attach to return. Correct name and address if necessary.