

Montana

What's New

Returns Included	e-File Approved*	e-File Activated
2	01/09/2024	01/10/2024
CIT	11/15/2023	01/02/2024
FID-3	02/08/2024	02/09/2024
PTE	02/06/2024	02/08/2024

*NOTE: Certain return types may not be available for e-file as of the EF approval date. e-File will be activated when the state taxing authority is ready to receive all forms within the applicable package.

New Forms

- **Form ADPT, Montana Adoption Tax Credit**
- **Form PTE Flow-Through Payments Attachment (MTFT_AT)** – Required when there are more than four MT Schedules K-1 receiving pass-through entity withholding on Form PTE, page 3, Part I, Flow-Through Payments Schedule.

Modified Forms and Worksheets

- **Form 2, Montana Individual Income Tax Return**
 - Added line 14 to the Montana Additions Schedule – “State income tax deduction included in Federal Adjusted Gross Income”
 - Added the following lines to the Other Payments and Refundable Credits Schedule:
 - Line 4 – “Pass-through entity tax from Montana Schedules K-1”
 - Line 8 – “Adoption credit”
- **Form JGI, Jobs Growth Credit**
- **Form NOL, Montana Net Operating Loss (NOL) for Individuals, Estates, and Trusts** – Relocated and revised content from 2022 Form NOL, page 5, to 2023 Form NOL, page 3
- **Form PTE, Montana Pass-Through Entity Tax Return**
 - Added “PTET” and “Resident PTET” options to header
 - Revised content and order of content on pages 2 – 4
 - Page 3 – Added Flow-Through Payments Schedule
 - Page 4 – Relocated Schedules I and II
- **Schedule K-1 (PTE), Owner’s Share of Income (Loss), Deductions, Credits, etc.**
 - Added line 14 to Part 4 – “Total distributive share”

- Added line 1 to Part 5 – “PTE paid on behalf of owner”
- **Worksheet ESA, Estimated Tax Annualization Worksheet**
- **Worksheet ESW, Montana Estimated Tax Worksheet**

Obsolete Forms

The following classes have been removed from Form NOL, Montana Net Operating Loss (NOL) for Individuals, Estates, and Trusts:

- Class A NOL Tracking Table
- Class A/B NOL Carryover Determination Schedule

Tax Law Changes

- The underpayment penalty interest rates have been adjusted for inflation for 2023.
- The allowable maximum exclusion for the partial pension, annuity, and IRA income exemption has been increased to \$5,060, and the federal AGI income limitation amount has been increased to \$42,140.
- Taxpayers claiming the Jobs Growth Incentive Credit are now required report the Credit Certificate Number issued by the Department of Labor and Industry.
- House Bill 225 created a refundable credit for taxpayers who adopt an eligible child on or after July 1, 2022. The credit is \$7,500 for the adoption of an eligible child who was in the MT foster care system and \$5,000 if the child was not in the MT foster care system. Taxpayers who completed an adoption in tax year 2022 after July 1, 2022, may claim the credit on their 2023 return.
- Senate Bill 554 passed a new elective tax for pass-through entities to pay. The pass-through entity tax is paid on behalf of a pass-entity owner at 6.75% of the owner’s MT-source income. The tax is passed through to the owner to see as a credit against the owner’s income taxes. Pass-through entity tax is reported to taxpayers on MT Schedule K-1, part 5, line 1.
- The top marginal tax rate has been reduced from 6.5% → 5.9%.
- House Bill 245 expanded the list of trade professions for which education and training costs qualify for the credit on the Form TETC, Trades Education and Training Credit.
- Tax year 2023 is the last year a taxpayer may establish or deposit into a Montana First Time Homebuyer Account. Beginning in 2024, taxpayers may only deduct deposits or interest on deposits from contributions made on the account made before January 1, 2024. Deposits must be withdrawn within 10 years.

Supported Forms

The following Montana forms are supported in Drake Tax 2023. MT forms cannot be e-signed.

Form	Description	IND	CRP	SCRIP	PTR	FID
2	Montana Individual Income Tax Return	✓				
2441-M	Child and Dependent Care Expense Deduction	✓				
ADPT	Montana Adoption Tax Credit	✓				
AMD Worksheet	Montana Individual Income Tax Amended Return Reconciliation	✓				
CIT	Montana Corporate Income Tax Return		✓			
CIT-UT	Underpayment of Estimated Tax by Corporation		✓			
CT	Montana Corporate Income Tax Payment Voucher		✓			
ESA Worksheet	Estimated Tax Annualization Worksheet	✓				
EST-I	Interest on Underpayment of Estimated Tax by Individuals, Estates and Trusts	✓				✓
ESW Worksheet	Montana Estimated Tax Worksheet	✓				
ETM	Enrolled Tribal Member Exempt Income Certification/Return	✓				
FID	Montana Estate or Trust Tax Payment Voucher					✓
FID-3	Montana Income Tax Return for Estates and Trusts					✓
Form 2 Worksheet	Line 33 – Partial Retirement Disability Income Exemption for Taxpayers Under Age 65	✓				
Form 2210 Worksheet	Worksheet I – Calculation of Underpayment Interest Short Method			✓	✓	
FRM	Montana Farm and Ranch Risk Management Account	✓				
FTB	Montana First-Time Home Buyer Savings Account	✓				
FTB-Worksheet	Montana First-Time Home Buyer Savings Account	✓				
IT	Montana Individual Income Tax Payment Voucher	✓				
IUFC	Infrastructure User Fee Credit	✓	✓	✓	✓	
JGI	Jobs Growth Credit	✓	✓	✓	✓	✓
LTCG Worksheet	Long-Term Capital Gains Tax Worksheet	✓				
MTFID3WK	Credit for an Income Tax Liability Paid to Another State or Country Worksheets					✓
MTFPPAWK	Partial Pension, Annuity, and IRA Income Exemption Worksheet					✓
MTWK_AI	Apportionable Income Worksheet				✓	
NOL	Montana Net Operating Loss (NOL) for Individuals, Estates, and Trusts	✓				
POA	Power of Attorney Authorization to Disclose Information	✓	✓	✓	✓	✓
PR	Montana Partnership Tax Payment Voucher				✓	
PT-AGR	Pass-Through Entity Owner Tax Agreement			✓	✓	
PTE	Montana Pass-Through Entity Tax Return			✓	✓	
PTE-C Worksheet	Estimated Composite Tax Worksheet			✓	✓	
QEC	Qualified Endowment Credit	✓	✓			✓
RCYL	Recycle Credit/Deduction	✓	✓	✓	✓	

Form	Description	IND	CRP	SCRIP	PTR	FID
SB	Montana Small Business Corporation Tax Payment Voucher			✓		
Schedule K-1 (FID-3)	Beneficiary's Share of Income (Loss), Deductions, Credits, etc.					✓
Schedule K-1 (PTE)	Owner's Share of Income (Loss), Deductions, Credits, etc.			✓	✓	
VT	Veterans' Program Contribution and Deduction	✓				