



Revision to 2024 Form 2 Instructions for Taxpayers Claiming Itemized Deductions on their Federal Tax Return

V1 1/2025

The Montana Department of Revenue has updated the 2024 Form 2 instructions for taxpayers claiming itemized deductions and Worksheet A – Adjusted Federal Itemized Deductions Worksheet found on page 7. This information replaces the paragraphs on page 7 beginning with “If you itemized your deductions...” and “Worksheet A, line 3.” Worksheet A has also been replaced with the revised worksheet below.

If you claimed federal itemized deductions, you must remove state income taxes taken as a deduction to the extent that it does not reduce your deduction below your federal standard deduction. The Tax Cuts and Jobs Act of 2017 limits the total amount of state and local taxes an individual may deduct on their federal return to \$10,000 (\$5,000 for married filing separately). If a taxpayer’s deduction is limited to the cap, the adjusted itemized deduction amount on line 2 is reduced after considering all state and local taxes, other than state income tax.

If you are married filing separately and itemized your deductions because your spouse also itemized deductions, enter \$0 on line 7.

Worksheet A - Adjusted Federal Itemized Deductions Worksheet

Do not use this worksheet if you took the federal standard deduction.

1 Total state and local tax deduction from Form 1040, Schedule A, line 5e	1	
2 Local income tax deduction included on Form 1040, Schedule A, line 5a	2	
3 State and local real estate tax deduction on Form 1040, Schedule A, line 5b	3	
4 State and local personal property tax deduction on Form 1040, Schedule A, line 5c	4	
5 Add lines 2 through 4. Then, subtract from line 1. If zero or less, enter 0.	5	
6 Total itemized deductions from Form 1040, line 12	6	
7 Enter the standard deduction for your federal filing status	7	
8 Subtract line 7 from line 6. If zero or less, enter 0.	8	
9 Enter the smaller of line 5 or line 8.	9	
10 Subtract line 9 from line 6. Enter this amount on Form 2, line 2.	10	