

Montana Tax Simplification




TAX
YEAR 202




We'll cover the changes to Montana's individual income tax system from Senate Bill 399 (2021).



 6 major changes

 Form 2 changes

 Changes to estate, trust, and pass-through taxation

 Transition provisions

The six major changes

Several tax credits repealed

Several deductions repealed

Aligning with federal filing statuses

Filing threshold increases

New tax brackets and rates

Montana taxable income calculation changes



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- 2% Capital Gains Tax Credit repealed as of 1/1/2024
- Tax Credits Repealed as of 1/1/2022: Adoption Credit (pre-2023), Alternative Energy Production Credit, Alternative Energy System Credit, Alternative Fuel Credit, Biodiesel and Blending Credit, College Contribution Credit, Dependent Care Assistance Credit, Elderly Care Credit, Emergency Lodging Credit, Empowerment Zone Credit, Energy Conservation Installation Credit, Geothermal System Credit, Health Insurance for Uninsured Montanans Credit, Mineral and Coal Exploration Incentive Credit, Oilseed Crush Facility Credit
- Repealed deductions as of 1/1/24: Unemployment compensation, Tip income for certain service industry workers, Partial interest income deduction for taxpayers aged 65 or older, Partial pension, annuity, and IRA deduction, Health insurance premiums paid by an employer for an employee, Contributions to a Montana first-time homebuyer savings account, Deposits in a Montana farm and ranch risk management account, Dependent child's income included in the taxpayer's federal adjusted gross income, Student loan repayments for health care professionals and qualified educators, Partial retirement disability deduction for taxpayers under age 65, Workers' compensation benefits

2024 Montana Ordinary Tax Rates



Single, Married Filing Separately, Estates, Trusts, and PTE Composite Tax Filers			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
<i>If your taxable income without net long-term capital gains is</i>	<i>But less than</i>	<i>The following rate applies</i>	<i>If your taxable income without net long-term capital gains is</i>	<i>But less than</i>	<i>The following rate applies</i>	<i>If your taxable income without net long-term capital gains is</i>	<i>But less than</i>	<i>The following rate applies</i>
\$0	\$20,500	4.7%	\$0	\$30,750	4.7%	\$0	\$41,000	4.7%
More than \$20,500		5.9%	More than \$30,750		5.9%	More than \$41,000		5.9%

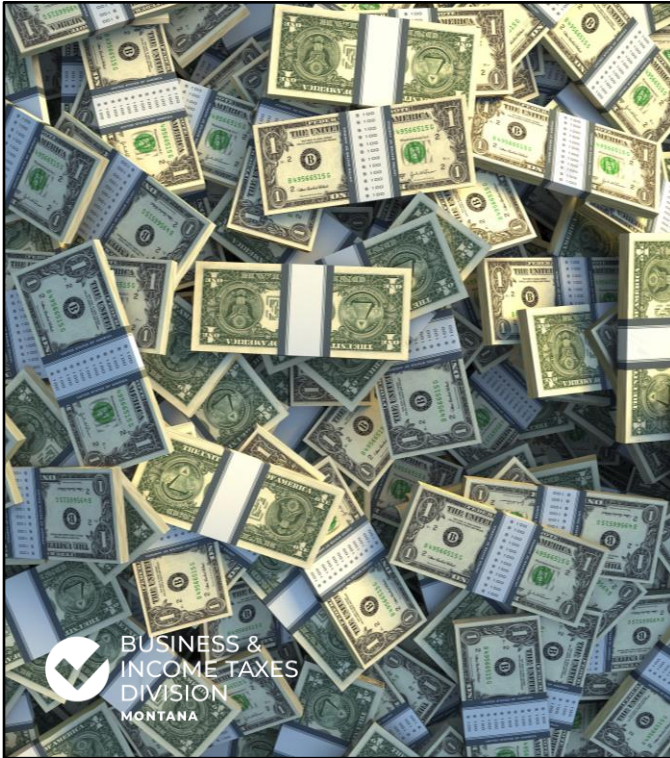
Montana ordinary income is Montana taxable income that is not considered a net long-term capital gain.

2024 Montana Long-Term Capital Gains Tax Rates



Single, Married Filing Separately, Estates, and Trusts			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
<i>For net long-term capital gains above</i>	<i>But less than</i>	<i>The following rate applies</i>	<i>For net long-term capital gains above</i>	<i>But less than</i>	<i>The following rate applies</i>	<i>For net long-term capital gains above</i>	<i>But less than</i>	<i>The following rate applies</i>
\$0	\$20,500 minus ordinary income	3%	\$0	\$30,750 minus ordinary income	3%	\$0	\$41,000 minus ordinary income	3%
\$20,500 minus ordinary income		4.1%	\$30,750 minus ordinary income		4.1%	\$41,000 minus ordinary income		4.1%
If ordinary income exceeds \$20,500		4.1%	If ordinary income exceeds \$30,750		4.1%	If ordinary income exceeds \$41,000		4.1%

Net long-term capital gains has the same meaning as defined in 26 U.S.C. 1222. These rates apply to net long-term capital gains only. Qualified dividends are not subject to this rate.

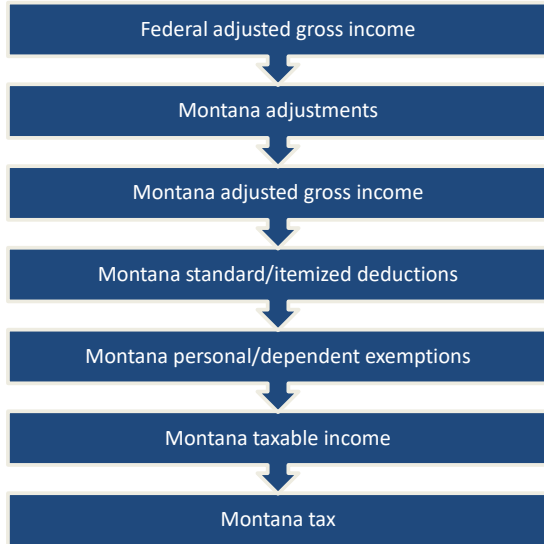


The Montana filing requirement aligns with the federal filing requirement with some caveats.

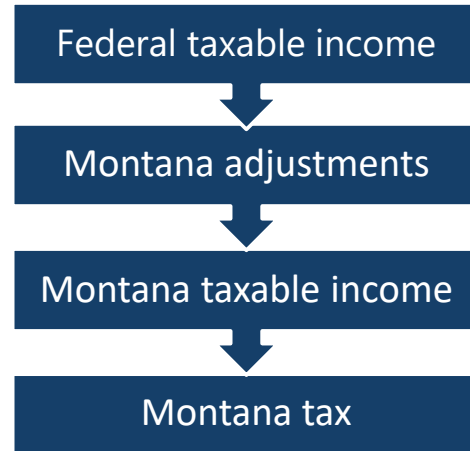
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Rules for taxpayers claimed as dependents also apply.
If no federal filing requirement, must file if there's a Montana addition or subtraction to report.

Montana Taxable Income Before January 1, 2024



Montana Taxable Income after December 31, 2023



Federal Taxable Income



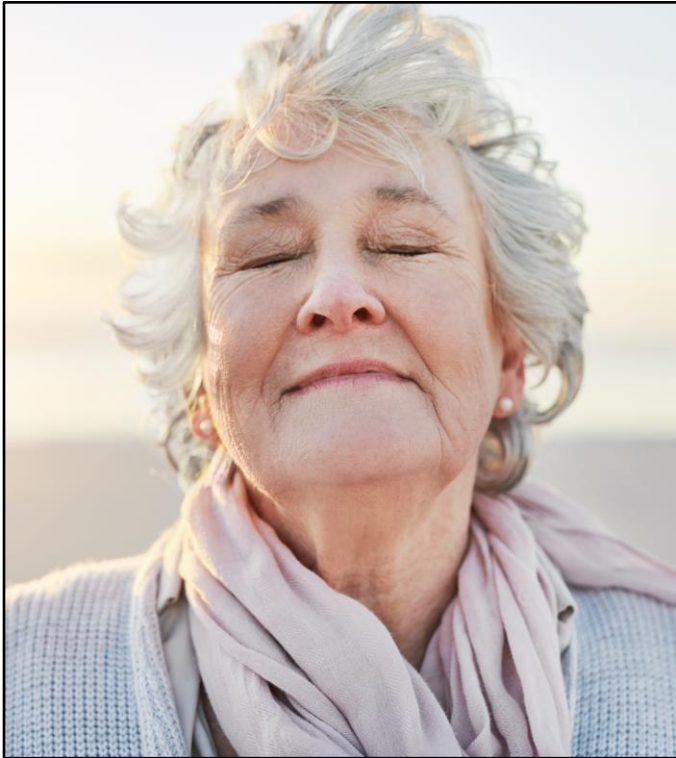
Income	1a	Total amount from Form(s) W-2, box 1 (see instructions)		1a	
	b	Household employee wages not reported on Form(s) W-2		1b	
	c	Tip income not reported on line 1a (see instructions)		1c	
	d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d	
	e	Taxable dependent care benefits from Form 2441, line 26		1e	
	f	Employer-provided adoption benefits from Form 8839, line 29		1f	
	g	Wages from Form 8919, line 6		1g	
	h	Other earned income (see instructions)		1h	
	i	Nontaxable combat pay election (see instructions)		1i	
	z	Add lines 1a through 1h		1z	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.	2a	Tax-exempt interest		2a	
	3a	Qualified dividends		3a	
	4a	IRA distributions		4a	
Standard Deduction for-- • Single or Married filing separately, \$13,850 • Married filing jointly or Qualifying surviving spouse, \$27,700 • Head of household, \$20,800 • If you checked any box under Standard Deduction, see instructions.	5a	Pensions and annuities		5a	
	6a	Social security benefits		6a	
	c	If you elect to use the lump-sum election method, check here (see instructions)		<input type="checkbox"/>	
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here		<input type="checkbox"/>	7
	8	Additional income from Schedule 1, line 10			8
	9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income			9
Attach Sch. B if required.	10	Adjustments to income from Schedule 1, line 26			10
	11	Subtract line 10 from line 9. This is your adjusted gross income			11
	12	Standard deduction or itemized deductions (from Schedule A)			12
	13	Qualified business income deduction from Form 8995 or Form 8995-A			13
	14	Add lines 12 and 13			14
	15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income			15
		2b	Taxable interest		2b
	3b	Ordinary dividends		3b	
	4b	Taxable amount		4b	
	5b	Taxable amount		5b	
	6b	Taxable amount		6b	

Reporting Montana Taxable Income



Taxable Income

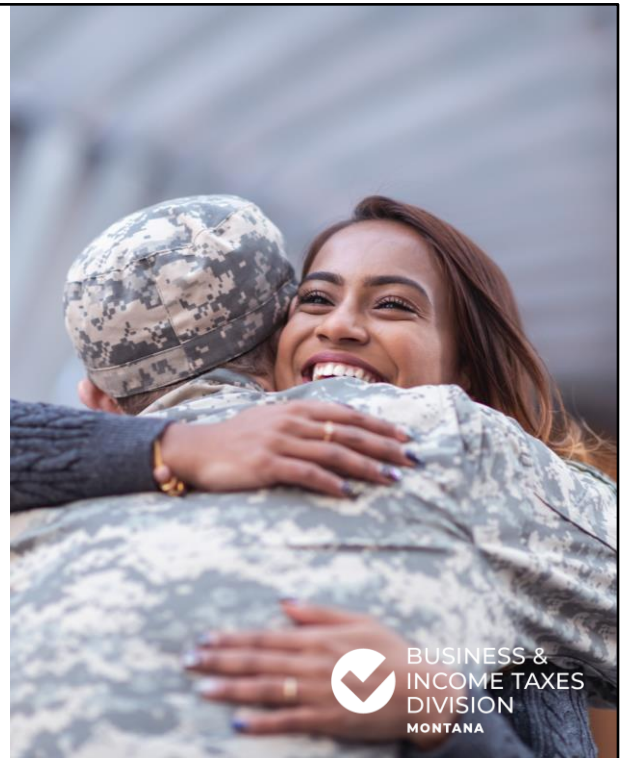
1	Federal adjusted gross income from Form 1040, line 11	1	00
2	Federal standard deduction or adjusted federal itemized deductions (See instructions)	2	00
3	Subtract line 2 from line 1. This is your federal taxable income for Montana.	3	00
4	Montana additions to federal taxable income from Schedule I, Part I, line 9	4	00
5	Montana subtractions from federal taxable income from Schedule I, Part I, line 28	5	00
6	\$5,500 subtraction for taxpayers 65 and older (\$11,000 if married filing jointly and both are 65 and older)	6	00
7	Add lines 3 and 4. Then subtract lines 5 and 6. This is your Montana taxable income.	7	00



There's a new subtraction for taxpayers 65 and over beginning January 1, 2024.

Subtraction of \$5,500 for taxpayers 65 and older for tax year 2024. Available to both spouses if filing jointly and both are 65 and over. It's adjusted annually for inflation.

There's a new subtraction for resident working military retirees and beneficiaries receiving military survivor benefits.



For taxpayers who became residents after June 30, 2023, or who were residents before they began receiving military retirement benefits or military survivor benefits.

For military retirement, the exemption is equal to the lesser of 50% of the taxable military retirement income received as a resident or all the Montana source income earned from wages, business income, or farming.

For taxpayers receiving military survivor benefits, the exemption is equal to half the military survivor benefits.

Available for 5 consecutive years.

Filed on Form WMRE.

Nonresidents are still taxed based on ratio of Montana source income to income from all sources.



No change to Montana source income determination. Separate ratios for ordinary income and net long-term capital gains.

Form 2 changed significantly because of simplification.



2024 Montana Individual Income Tax Return Form 2
2024
5004

For the year Jan 1 - Dec 31, 2024, or the tax year beginning _____ and ending _____

Mark if this is an amended return:

First Name Initial Last Name Social Security Number Deceased? _____

Spouse's First Name Initial Spouse's Last Name Social Security Number Deceased? _____

Current mailing address City State ZIP Code + 4 _____

Federal Filing Status: Single Married Filing Jointly Married Filing Separately Qualifying Surviving Spouse Head of Household

Residency Status: Resident Part-year Resident Nonresident ND Reciprocity

Taxable Income

1	Federal adjusted gross income from Form 1040, line 11	1	00
2	Federal standard deduction or adjusted federal itemized deductions (See instructions)	2	00
3	Subtract line 2 from line 1. This is your federal taxable income for Montana.	3	00
4	Montana additions to federal taxable income from Schedule I, Part I, line 9	4	00
5	Montana subtractions from federal taxable income from Schedule I, Part I, line 29	5	00
6	\$5,500 subtraction for taxpayers 65 and older	6	00
7	Add lines 3 and 4. Then subtract lines 5 and 6. This is your Montana taxable income.	7	00

Tax, Credits, and Payments

8	Tax liability before tax credits (See instructions)	8	00
9	Nonrefundable tax credits from Schedule III, Part I, line 14	9	00
10	Subtract line 9 from line 8. This is your tax after nonrefundable tax credits.	10	00
11	Montana income tax withheld from:		
11a	Form(s) W-2	11a	00
11b	Form(s) 1099	11b	00
11c	Total pass-through entity tax credits from Montana Schedule(s) K-1	11c	00
11d	Total withholding from Montana Schedule(s) K-1	11d	00
11e	Loan-out withholding from Form LOWCERT	11e	00
	Add lines 11a through 11e		00
12	2024 estimated tax payments	12	00
13	Overpayment applied from 2023 return	13	00
14	Extension payment	14	00
15	Earned Income Credit, Federal EIC <input type="checkbox"/> Multiply Federal EIC by 10% (0.10)	15	00
16	Elderly Homeowner/Renter Credit from Schedule 2EC, Line 30	16	00
17	Refundable tax credits from Schedule III, Part I, line 17	17	00
18	If filing an amended return: payments made with original return	18	00
19	Contributions, penalties, interest and other taxes from Schedule IV, line 8	19	00
20	If filing an amended return: previous overpayment	20	00
21	Add lines 11 through 18, then subtract line 19 and 20. This is your total payments.	21	00

Tax Due or Overpayment

22	If line 21 is less than line 10, subtract line 21 from line 10. This is your tax due.	22	00
23	If line 21 is more than line 10, subtract line 10 from line 21. This is your tax overpaid.	23	00
24	Enter the amount from line 23 you would like applied to your 2025 estimated taxes.	24	00
25	Enter the amount you want deposited into a 529 or 529A account	25	00
26	Add lines 24 and 25, then subtract from line 23. This is your refund.	26	00

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Montana resident tax is calculated on page 2.



Name _____ Social Security Number _____

Montana Individual Income Tax
 Nonresidents, part-year residents, and Montana residents with nonresident or part-year resident spouses, enter line 11 on Schedule II, line 24, line 12 on Schedule II, line 19, and leave line 13 below blank.

1	Enter your total Montana taxable income from page 1, line 7. If zero or less, enter 0 (zero). If you do not have a net long-term capital gain, skip lines 2 through 10 and enter 0 (zero) on line 11.	1	00
2	Enter your net long-term capital gains from federal Schedule D, line 15 (See instructions)	2	00
3	Enter the lesser of line 1 or line 2	3	00
4	Subtract line 3 from line 1	4	00
5	Enter the amount for your federal filing status: \$20,500 if single or married filing separately \$41,000 if married filing jointly or qualifying surviving spouse \$30,750 if head of household	5	00
6	Subtract line 4 from line 5. If zero or less, enter zero	6	00
7	Enter the lesser of line 3 or line 6	7	00
8	Multiply line 7 by 3% (0.03)	8	00
9	Subtract line 8 from line 3. If zero or less, enter zero	9	00
10	Multiply line 9 by 4.1% (0.041)	10	00
11	Add lines 8 and 10. This is your Montana net long-term capital gains tax.	11	00
12	If you do not have a net long-term capital gain, figure your tax on the amount on line 1 using the Montana Ordinary Income Tax Table. If you have a net long-term capital gain, figure your tax on the amount on line 4 using the Montana Ordinary Income Tax Table.	12	00
13	Residents add lines 11 and 12, and enter this amount on page 1, line 8. This is your Montana ordinary income tax.	13	00
	This is your Montana resident tax.	13	00

If you are filing a return in Montana for the first time, direct deposit is not available. Stop here and sign your return below. If the direct deposit option is available and you wish to use it, provide your bank account information, and sign your return below.

Direct Deposit Your Refund Complete 1, 2, and 3. (See instructions)

1 Routing Number _____
 2 Account Number _____
 3 Mark this box if this refund is going to an account that is located outside of the United States or its territories. Checking Savings

529/529A Account Deposit Information (See instructions) **529/529A deposit amount**

4 Account Type 529 Qualified Tuition Program 529A Achieving a Better Life Experience
 RTN# _____ ACCT# _____

5 Account Type 529 Qualified Tuition Program 529A Achieving a Better Life Experience
 RTN# _____ ACCT# _____


REQUIRED - Signature, Paid Preparer, and Third-Party Designee
 Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Taxpayer
 Signature _____ Date _____ Date of Birth _____
 _____ Phone _____

Spouse
 Signature _____ Date _____ Date of Birth _____
 _____ Phone _____

Tax Preparer
 Signature _____ Date Signed _____
 Print Name _____ Phone _____ PTIN _____

Mark this box if you allow the DOR to discuss this tax return with your tax preparer.
 Mark this box if you allow the DOR to discuss this tax return with someone other than your tax preparer.
 Name _____ Phone _____

Save for 2D Barcode 

Form 2 - Page 2 - 2024

Reporting of additions, subtractions, and the Montana Medical Savings Accounts were combined and are now on Schedule I.



2024 Montana Form 2 Schedule I – Adjustments 2024
5/2024

Name Social Security Number

Part I: Montana Adjustments to Federal Taxable Income

Additions

1	Interest and mutual fund dividends from state, county, or municipal bonds from other states (Do not include recoveries of federal income tax)	1	00
2	Other recoveries of amounts deducted in earlier years that reduced Montana taxable income.	2	00
3	Taxable distribution from <input type="checkbox"/> a Montana medical savings account Part II, line 7, or <input type="checkbox"/> a first-time homebuyer's account (See instructions)	3	00
4	State income tax deduction included in federal taxable income (See instructions)	4	00
5	Expenses used to claim a Montana tax credit	5	00
6	Other additions. Code <input type="text"/> Code <input type="text"/>	6	00
7	Transition adjustment for tax year 2024 from Transition Schedule	7	00
8	Recovery of federal income tax deducted in 2023 (See instructions)	8	00
9	Add lines 1 through 8, and enter the total on page 1, line 4. This is your Montana additions.	9	00

Subtractions

10	State income tax refunds included on Form 1040, Schedule 1, line 1	10	00
11	Interest and mutual fund dividends from federal bonds, notes, and obligations	11	00
12	Recoveries of amounts deducted in earlier years included in federal taxable income that did not reduce Montana income tax	12	00
13	Exempt tribal income. Include Form ETM	13	00
14	Military salary of active duty servicemember	14	00
15	Salary of nonresident spouse of active duty servicemember	15	00
16	Subtraction of military retirement income for working military retirees and military survivor benefits. Include Form WMRC	16	00
17	Montana medical savings accounts deposits and earnings from Part II, line 4	17	00
18	First-time homebuyer account deposits and earnings from deposits made before January 1, 2024.	18	00
19	Family education savings (529 plan) account deposits	19	00
20	Achieving a Better Life Experience Act (ABLE) account deposits	20	00
21	Business-related expenses for purchasing recycled material. Include Form RCYL	21	00
22	Business expenses not included in federal taxable income due to an existing federal credit taken	22	00
23	Certain expenses incurred by cannabis businesses	23	00
24	Business sales and other miscellaneous subtractions. Code <input type="text"/> Code <input type="text"/>	24	00
25	Tier I Railroad Retirement Benefits included on Form 1040, line 6b	25	00
26	Tier II Railroad Retirement Benefits included on Form 1040, line 5b	26	00
27	Transition adjustment for Tax Year 2024 from Transition Schedule	27	00
28	Add lines 10 through 27, and enter total on page 1, line 5. This is your Montana subtractions.	28	00


Part II: Montana Medical Savings Account (MSA) Adjustment

Subtraction

1	Beginning balance. If this is a new account, enter 0.	1	00
2	Total contributions for the year (up to \$4,500 per taxpayer)	2	00
3	Earnings from the account: interest, dividends, capital gains, etc. <input type="checkbox"/> Mark this box if your account balance is less than your beginning balance (See instructions)	3	00
4	Add lines 2 and 3. Enter the total on Part I, line 17.	4	00

Addition

5	Total withdrawals eligible during the year	5	00
6	Withdrawals for eligible expenses. (See instructions)	6	00
7	Nonqualified withdrawals. Subtract line 6 from line 5. Enter the total on Part I, line 3.	7	00
8	Nonqualified withdrawals not subject to the 10% (0.10) penalty (See instructions)	8	00
9	Nonqualified withdrawals subject to penalty. Subtract line 8 from line 7.	9	00

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Form 2 – Page 3 – 2024

2024 Montana Form 2 Schedule II – Tax on Montana Source Income

Part-Year Resident Information
 Date of Residency Change: _____ State moved to: _____ State moved from: _____
Spouses with Different States of Residency (See instructions)
 Mark this box if one spouse is a Montana resident and the other spouse is a nonresident or part-year resident
 Montana Resident Spouse: _____ Social Security Number: _____
 Nonresident/Part-Year Resident Spouse: _____ Social Security Number: _____

Montana Source Ordinary Income
 Montana source ordinary income is all income that is not considered a net long-term capital gain.

1	Wages, salaries, tips, etc.	1	00
2	Interest	2	00
3	Ordinary dividends	3	00
4	Refunds, credits, or offsets of local income taxes	4	00
5	Alimony received	5	00
6	Business income or (loss). Attach Form DE (See instructions)		
6a	Montana source business income from Form DE	6a	00
6b	Additional Montana source business expenses related to Form DE (See instructions)	6b	00
	Subtract line 6b from line 6a. This is your net Montana source business income or (loss)	6	00
7	Short-term capital gain or (loss)	7	00
8	Other gains or (losses)	8	00
9	IRAs, pensions, and annuities	9	00
10	Rental real estate, royalties, partnership, S corporations, trusts, etc. <input type="checkbox"/> Mark this box if you have Montana source suspended losses (See instructions)		
10a	Montana source income from rental real estate, royalties, partnership, S corporations, trusts, etc.	10a	00
10b	Additional Montana source business expenses related to rental real estate, royalties, partnership, S corporations, trusts, etc. (See instructions)	10b	00
	Subtract line 10b from line 10a. This is your net Montana source income from rental real estate, royalties, partnership, S corporations, trusts, etc.	10	00
11	Farm income or (loss)		
11a	Montana source farm income or (loss)	11a	00
11b	Additional Montana source expenses related to farm income or (loss) (See instructions)	11b	00
	Subtract line 11b from line 11a. This is your net Montana source farm income or (loss)	11	00
12	Social Security benefits	12	00
13	Other income and adjustments to income (See instructions)	13	00
14	Montana source additions to income (See instructions)	14	00
15	Montana source excepted business loss	15	00
16	Add lines 1 through 15. This is your Montana source ordinary income	16	00

Everywhere Ordinary Income

17a	Enter Form 1040, line 9	17a	00
17b	Business-related expenses not included in total income on Form 1040, line 9 (See instructions)	17b	00
17c	Enter net long-term capital gain from federal Schedule D, line 15	17c	00
	Subtract lines 17b and 17c from line 17a. This is your everywhere ordinary income for Montana.	17	00

2024 Montana Form 2 Schedule II – Tax on Montana Source Income (Continued)

Name: _____ Social Security Number: _____

Montana Source Ordinary Income Tax

18	Divide line 16 by line 17. Round to 6 decimal places and do not enter more than 1.000000	18	00
	This is your Montana source ordinary income ratio.	18	00
19	Enter your Montana ordinary tax from page 2, line 12	19	00
20	Multiply the tax on line 19 by the ratio on line 18.	20	00
	This is your Montana source ordinary income tax.	20	00

Montana Source Net Long-Term Capital Gains Tax

21	Net long-term capital gains from Schedule D, line 15	21	00
22	Montana source net long-term capital gains	22	00
23	Divide line 22 by line 21. Round to 6 decimal places and do not enter more than 1.000000.	23	00
	This is your Montana source net long-term capital gains ratio.	23	00
24	Enter your Montana net long-term capital gains tax from page 2, line 11	24	00
25	Multiply the tax on line 24 by the ratio on line 23.	25	00
	This is your Montana source net long-term capital gains tax.	25	00


Total Tax on Montana Source Income

26	Add lines 20 and 25. Enter here and on page 1, line 8.	26	00
	This is your total tax on Montana source income.	26	00



Nonresidents, part-year residents, and residents filing jointly with nonresidents and part-year residents figure tax on the Schedule II.

Schedule III is used to report nonrefundable and refundable tax credits.

 **2024 Montana Form 2 Schedule III – Tax Credits** 2024
1/2024

Name _____ Social Security Number _____

Part I: Tax Credits

Nonrefundable Credits

1	Total credit for an income tax liability paid to another state or country from Part II, line 21	1	00
2	Qualified endowment credit. Include Form QEC	2	00
3	Recycle credit. Include Form RCYL	3	00
4	Apprenticeship credit	4	00
5	Trades education and training credit. Include Form TETC	5	00
6	Innovative educational program credit	6	00
	Credit confirmation code		
7	Student scholarship organization credit	7	00
	Credit confirmation code		
8	Contractor's gross receipts tax credit. If multiple CGR accounts, mark here <input type="checkbox"/>	8	00
	CGR Account ID: _____ C G R		
9	Historic property preservation credit. Include federal Form 3468	9	00
10	Infrastructure users fee credit. Include Form IJFC	10	00
11	Media credit. Include Form MEDIA-CLAIM	11	00
	UCRN		
12	Jobs growth incentive credit. Include Form JGI	12	00
	Credit certificate number		
13	Carryforward amount from an expired or repealed tax credit (See instructions)	13	00
	Tax credit code		
14	Add lines 1 through 13 and enter the total on page 1, line 9.	14	00

These are your nonrefundable credits.

Refundable Credits

15	Adoption credit. Include Form ADPT	15	00
16	Unlocking public lands credit	16	00
17	Add line 15 and 16 and enter the total on page 1, line 17. These are your refundable credits.	17	00



Schedule III, Part II is used to figure the credit for income taxes paid to another state or country.



**2024 Montana Form 2 Schedule III – Tax Credits
(Continued)**

Name	Social Security Number		
Part II: Credit For Income Taxes Paid To Another State Or Country			
Montana Ordinary Income Tax			
1	Enter your income sourced and taxable to another state or country that is included in your Montana taxable income or in your Montana source income if a part-year resident, excluding any net long-term capital gains. (See instructions)	1	00
2	Enter all income sourced and taxable to the other state or country. Enter state's abbreviation (See instructions)	2	00
3	Income sourced and taxable to Montana excluding your net long-term capital gains (See instructions)		
3a	If a full-year resident, enter Form 1040, line 9 excluding your net long-term capital gains	3a	00
3b	If a full-year resident, enter expenses related to sourced and taxable income. Full-year residents subtract line 3b from line 3a.	3b	00
3	Part-year residents, enter Schedule II, line 17.	3	00
4	Enter your total tax liability paid to the other state or country	4	00
5	Enter your Montana ordinary income tax (See instructions)	5	00
6	Divide line 1 by line 2. Round to 6 decimal places and do not enter more than 1.000000	6	00
7	Multiply line 4 by line 6	7	00
8	Divide line 1 by line 3. Round to 6 decimal places and do not enter more than 1.000000	8	00
9	Multiply line 5 by line 8	9	00
10	Enter the lesser of the amounts on lines 4, 7, or 9 here. This is your credit for income tax paid to another state or country for Montana ordinary income tax.	10	00
Montana Net Long-Term Capital Gains Tax			
11	Enter your net long-term capital gain sourced and taxable to another state or country that is included in your Montana taxable income or in your Montana source income if a part-year resident. (See instructions)	11	00
12	Enter all income sourced and taxable to the other state or country. Enter state's abbreviation	12	00
13	If a full-year resident, enter federal Schedule D, line 15. Part-year residents, enter Schedule II, line 22.	13	00
14	Enter your income tax liability paid to the other state or country (See instructions)	14	00
15	Enter your Montana net long-term capital gains tax (See instructions)	15	00
16	Divide line 11 by line 12. Round to 6 decimal places and do not enter more than 1.000000	16	00
17	Multiply line 14 by line 16	17	00
18	Divide line 11 by line 13. Round to 6 decimal places and do not enter more than 1.000000	18	00
19	Multiply line 15 by line 18	19	00
20	Enter the lesser of the amounts on lines 14, 17, or 19 here. This is your credit for income tax paid to another state or country for Montana net long-term capital gains tax.	20	00
Total Credit for Income Taxes Paid to Another State or Country			
21	Add lines 10 and 20. Enter the total here and on Part I, line 1.	21	00

2024 Montana Form 2 Schedule IV - Contributions, Penalties, Interest, and Other Taxes

2024/0 5/2024

Name _____ Social Security Number _____

1 Total voluntary check-off contribution programs from lines 1a through 1d

1a Nongame Wildlife Program	\$5	\$10	\$20	00	other amount
1b Child Abuse Prevention	\$5	\$10	\$20	00	other amount
1c Agriculture Literacy in Montana Schools	\$5	\$10	\$20	00	other amount
1d Montana Military Family Relief Fund	\$5	\$10	\$20	00	other amount

Total voluntary check-off contribution programs from lines 1a through 1d 1 _____ 00

2 Interest on underpayment of estimated taxes (See worksheet in instructions) 2 _____ 00

If applicable, mark the appropriate box

2/3 farming gross income

3 Late filing penalty Estimated payments made using the annualization method 3 _____ 00

4 Late payment penalty 4 _____ 00

5 Interest 5 _____ 00

6 Other penalties (See instructions)

First-Time Homebuyer Account _____ 6 _____ 00

Medical Care Savings Account _____ 7 _____ 00

Farm and Ranch Risk Management Account _____ 7 _____ 00

7 Lump-sum and recapture taxes (See instructions) Code _____ Code _____ 7 _____ 00

8 Add lines 1 through 7, and enter on page 1, line 19. These are your total contributions, penalties, interest, and other taxes. 8 _____ 00

Schedule IV is to report checkoffs, penalties, interest, and other taxes.

Schedule V is to report information related to filing an amended return.

2024 Montana Form 2 Schedule V - Amended Return Information

2024/0 5/2024

Name _____ Social Security Number _____

Adjustment Type: Federal Audit Amended Federal Return Montana Adjustment Other

A	B	C
Form or Schedule	Line or Box	Reason



Schedule 2EC is to calculate the Elderly Homeowner/Renter Credit.



2024 Montana Form 2 Schedule 2EC – Elderly Homeowner/Renter Credit 2024/05/2024

First Name Initial Last Name Social Security Number Date of Death
 Physical address City State ZIP Code + 4

Attestation

I reached age 62 by December 31, 2024
 I resided in Montana for a minimum of nine months during 2024
 I occupied a Montana residence as a renter, owner, or lessee for at least six months during 2024
 The combined gross household income was less than \$45,000 for 2024 (See instructions)
 I am the only member of my household claiming this credit

Household Occupancy
 How many people lived in your household during 2024?

Gross Household Income

1	Wages, salaries, tips, etc.	1	00
2	Interest	2	00
3	Dividends	3	00
4	IRA distributions from Form 1099-R (Do not include rollovers)	4	00
5	Pensions and annuities from Form 1099-R and Tier 1 Railroad Retirement benefits (Do not include rollovers)	5	00
6	Social Security benefits and Tier 1 Railroad Retirement benefits (See instructions)	6	00
7	Capital gain, including any exclusion	7	00
8	Refundable credits received, including your elderly homeowner renter credit received in 2024	8	00
9	Alimony	9	00
10	Business income	10	00
11	Other gains	11	00
12	Rental real estate, royalties, partnerships, S corporations, trusts, etc.	12	00
13	Farm income	13	00
14	Unemployment compensation	14	00
15	Other income not included above (See instructions)	15	00
16	Government assistance and support money	16	00
17	Income received by other members of your household	17	00
18	Add lines 1 through 17.	This is your gross household income: 18	
19	Your standard exclusion is entered here for you	19	2 6 0 0
20	Subtract line 19 from line 18 and enter the result here, but not less than zero	20	00
21	Enter your multiplier rate from the Household Income Reduction Table	21	00
22	Multiply line 20 by line 21.	This is your net household income: 22	
23	Enter the property tax you were billed for your Montana residence and up to one acre in 2024	23	00
24	Enter the rent that you paid in 2024 for your Montana residence	24	00
25	Multiply line 24 by 15% (0.15)	25	00
26	Add lines 23 and 25.	26	00
27	Subtract line 22 from line 26 and enter the result here, but not less than zero	27	00
28	Enter the lesser of line 27 or \$1,150	28	00
29	Enter the percentage from the Credit Multiplier Table that corresponds to your gross household income on line 18 (See instructions)	29	00
30	Multiply line 28 by the percentage on line 29 and enter the total here.	This is your elderly homeowner/renter credit: 30	

Estates and trusts as well as pass-through entities were also affected by simplification.



Trusts and estates:

- Use the single filer tax rate and are eligible to use the capital gains tax rate
- Start at federal taxable income
- Federal income distribution deduction must be adjusted for Montana additions and subtractions

Pass-Through Entities

- Pass-through withholding and pass-through entity tax remains at the highest marginal rate
- Composite tax is calculated using single filer tax rate and the federal standard deduction for single taxpayers
- Capital gains tax rate cannot be used to calculate any of the pass-through taxes



There's a one-time catch-up provision for capital losses, passive losses, and basis if the items differed from the federal amounts.

22

One-time catch-up provision On or before the due date (including extensions) of the 2024 tax return, the taxpayer may make an election to make a transition adjustment to Montana taxable income

Passive activity losses

- Positive adjustment if the carryover is smaller than the federal carryover
- Negative adjustment if the carryover is larger than the federal carryover

Excess long-term or short-term capital losses

- Positive adjustment if the carryover is smaller than the federal carryover
- Negative adjustment if the carryover is larger than the federal carryover

Differing cost or basis

As a result of a credit that was taken.

Contributions to an IRA because of married filing separately on same form status

Tax Year 2023 refund received in 2024 and it resulted in a reduction to MT tax, a positive adjustment to Montana taxable income



Montana First-Time Homebuyer Savings Accounts and Farm and Ranch Risk Management Accounts were repealed.

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First-time Homebuyer Account – funds must be distributed within 10 years of when the account was opened

Farm and Ranch Risk Management Account – funds must be distributed within 3 years of deposit

Resources



- [Simplification Hub](#) at MTRevenue.gov
- [Senate Bill 399 \(2021\)](#)
- [Senate Bill 550 \(2023\)](#)
- [Form MW-4](#) (Montana Withholding and Exemption Certificate)
- [Employer and Information Agent Guide](#) with updated wage withholding tables
- [Withholding Calculator](#)
- Draft [Form 2](#), [Schedule I](#), [Schedule II](#), [Schedule III](#), [Schedule IV](#), [Schedule V](#), [Schedule 2EC](#) and [Transition Schedule](#)