

# Montana Pass-Through Entity Tax (PTET)

A Tax Pass-Through Entities Want to Pay!



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## What is PTET?

PTET is:

- An elective state income tax,
- paid by pass-through entities (PTE)

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# Why would PTEs elect to pay a tax?



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## PTET allowed as a Federal Deduction

- The PTE may claim the payment of this tax as an above-the-line deduction for federal income tax purposes under IRC 164.
- The State and Local Tax (SALT) deduction limitation on the individual owners' federal returns does not apply to taxes deducted above-the-line as provided in **IRS Notice 2020-75**. That is a benefit that can amount to as much as 37 cents on every dollar deducted.

PTET is a tax you pay to pay less taxes!

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## PTET neutral for state tax purposes

- The deduction taken on the federal return for state income taxes paid or accrued in all states must be **added back** on MT returns.
- Owners receive a **refundable credit** based on their distributive share of PTET liability.

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**That sounds great!  
What do I need to do?**



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# PTET Election

- **Who:** The **PTE representative** makes the election and represents the PTE for all matters pertaining to PTET.
- **Where:** on Form PTE.
- **When:** Each tax year. The election must be made **by the extended due date**. No exceptions!



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# Taxable Income

**Total** distributive share of **Montana source income** allocable to **affected owners**.



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## Affected Owners

- Individuals
- Estates and trusts
- PTEs, including PTPs
- Disregarded entities owned by an individual, estate or trust.

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## Owners NOT affected by PTET

- Corporations
- Tax Exempt Entities
- Disregarded entities owned by a corporation or a partnership
- Disregarded entities that do not disclose their owner.

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## Montana Source Income (MTSI)

MTSI is determined at the PTE level using **apportionment and allocation rules** (Multistate Tax Compact, 15-1-601, MCA), unless a resident election is made.

If a **resident election** is made, MTSI allocable to resident owners increases to their distributive share of everywhere income.

(MTSI is all income received as a resident under 15-30-2001(18), MCA)

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## Affected Resident Owners

- Resident individuals
- Resident estates and trusts
- Disregarded entities owned by a resident individual, estate or trust

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## When to Elect Resident PTET?

Resident PTET increases taxable income when the PTE has resident owners, and

- Activities in multiple states, or
- No activities in Montana



The resident PTET election is not recommended for S corporations if it creates a special allocation of deductions/credits.

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## Taxable Income Example

Assume an apportionment factor of 20% under the Compact.

PTE Owners' Attributes			PTET Taxable Income	
Owners	Residency of Individuals, Estates and Trusts	Total Everywhere Income	Without Resident Election	With Resident Election
Not affected by PTET	N/A	\$100,000	\$0	
Affected by PTET	Residents	\$20,000	\$4,000	\$20,000
	Nonresidents or N/A	\$50,000	\$10,000	
Total			\$14,000	\$30,000

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# PTET Rate

PTET rate is the highest marginal income tax rate in Montana.

In tax year 2023: **6.75%**.



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# Let's Talk About Money!



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# Payments of PTET

PTET can be paid in three different ways:

1. Estimated taxes, including prior year carryovers
2. Flow-through payments
3. With the return



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## Estimated Taxes Required

- Must be paid by the entity quarterly
- No interest on underpayment for tax year 2023
- On Form PTE, payments are applied against:
  1. PTET first
  2. Composite tax second
  3. Pass-through withholding (PT-WTH) last

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# Flow-Through Payments

## Three Kinds of Flow-Through Payments

- Mineral Royalty Withholding (MRW)
- Pass-through withholding (PT-WTH)
- PTET Credit



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## Flow-Through Payments

**MRW and PT-WTH** are considered PTET payments up to the amount allocable to each owner. These payments create a new deduction for federal tax purposes in the year they are applied against PTET.

**PTET Credit** is considered a PTET payment in full when the PTE elects PTET. This payment is **not** a new deduction for federal tax purposes.

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# Overpayments



**PTET overpayments are first used against the two other taxes on Form PTE, and the excess is refunded or carried over.**

Note that for federal tax purposes any overpayment refunded or applied against penalties and interest should create taxable income.

PTET income is subtracted on the Montana return.

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# Examples

These examples will be available in Publication 4 – PTET Guide



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**CASE 1: PTR**

**PTET election**

**Resident Election**

**Flow-through payment: MRW on a Federal Form 1099-MISC**

**Form PTE 2023 Montana Pass-Through Entity Tax Return**  
 Include a complete copy of all related federal forms and schedules.  
 Partnership  S corporation

Page 1  
 For calendar year 2023 or tax year beginning 11/01/2023 and ending 11/30/2023

Name: ABC LLC  
 Mailing Address: [Redacted]  
 City: [Redacted] State: [Redacted] ZIP Code + 4: [Redacted]

Enter Number of: Schedules K-1 Included: 2  
 Resident Owners: 1  
 Nonresident Owners: 1  
 Other Types of Owners: 0  
 Schedules DE Included: [Redacted]  
 Schedules K-1 Received: [Redacted]

**Owners' Distributions Share of Income Items (Federal Schedule K)**

1 Ordinary business income (loss)	1	100000	00
2 Net rental real estate income (loss) (include federal Form 825)	2		00
3a Other gross rental income (loss)	3a		00
3b Expenses from other rental activities (include detailed statement)	3b		00
3 Subtract line 3b from line 3a.	3		00
4a Guaranteed payments: Services	4a		00
4b Guaranteed payments: Capital	4b		00
4 Add lines 4a and 4b.	4		00
5 Interest income	5		00
6 Ordinary dividends	6		00
7 Royalties	7		00
8 Net short-term capital gain (loss) (include federal Schedule D)	8		00
9 Net long-term capital gain (loss) (include federal Schedule D)	9		00
10 Net section 1231 gain (loss) (include federal Form 4797)	10		00
11 Other income (loss) (include detailed statement)	11		00
12 Add lines 1 through 11 and enter result.	12	100000	00

**Owners' Distributions Share of Deduction Items (Include federal Schedule K)**

13a Section 179 deduction (include federal Form 4562)	13a		00
13b Contributions	13b		00
13c Investment interest expense	13c		00
13d Section 559(d) expenditures (include detailed statement)	13d		00
13e Other deductions (include detailed statement)	13e		00
13 Add lines 13a through 13e and enter result.	13		00
14 Subtract line 13 from line 12.	14		00
15 Montana additions to the PTE's apportionable activities	15		00
16a Montana subtractions from the PTE's apportionable activities	16a		00
16b Total everywhere income (loss) from federal Schedule K-1	16b		00
16c Total everywhere income (loss) from disregarded entities	16c		00
16d Other nonapportionable income (loss) from the PTE's own activities	16d		00
16 Add lines 16a through 16d.	16		00
17 Add lines 14 and 15, then subtract line 16.	17	100000	00

**Montana Source Income**

18 Income (loss) apportioned to Montana. Multiply line 17 x 60.0000 %	18	60000	00
19a Total Montana source income received from pass-through entities (Montana source income from MT Schedules K-1 issued to the entity)	19a		00
19b Total Montana source income from Schedules VII	19b		00
19c Nonapportionable income allocated to Montana. (See instructions)	19c		00
19 Add lines 19a through 19c.	19		00
20 Add lines 18 and 19; enter result.	20	60000	00

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**Case 1: PTR**

**MRW is 100% allocated against PTET.**

**No push-out.**

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

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

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

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

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

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

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## Case 1: PTR

K-1 of Nonresident.

PTET is calculated out of MTSI determined using apportionment and allocation rules.

$$\$34,500 = 50\% \text{ of } \$60k$$

$$PTET = \$30,000 \times 6.75\% = \$2025$$

**Montana Schedule K-1 (PTE)**  
 Owner's Share of Income (Loss), Deductions, Credits, etc.  
 For the calendar year 2023, or tax year beginning 11/01/2023 and ending 10/31/2023

Mark applicable boxes:  Amended Schedule K-1  Final Schedule K-1

**Part 1 PTE Information**  
 Pass-through Entity's Name: Example 1  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_  
 FEIN: \_\_\_\_\_

**Part 2 Owner Information**  
 Name: Owner 1  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_  
 Owner Type:  Resident  Nonresident  
 Special Allocations (See instructions)   
 The owner is included in a pass-through entity tax election   
 Resident owner PTE election (See instructions)   
 The owner is included in a composite income tax return   
 Profit and loss percentage: 50.0000 %  
 Capital/Ownership: 50.0000 %

Part 3 Adj.	Montana Adjustments (See worksheet on page 9)		A. Everywhere	B. Montana
	1	2		
1	Additions	1	00	00
2	Subtractions	2	00	00
1	Ordinary business income (loss)	1	50000	30000
2	Net rental real estate income (loss)	2	00	00
3	Other net rental income (loss)	3	00	00
4	Guaranteed payments	4	00	00
5	Interest income	5	00	00
6	Ordinary dividends	6	00	00
7	Royalties	7	00	00
8	Net short-term capital gain (loss)	8	00	00
9	Net long-term capital gain (loss)	9	00	00
10	Net section 1231 gain (loss)	10	00	00
11	Other income (loss) (include detailed statement)	11	00	00
12	Section 179 expense deduction	12	00	00
13	Other expense deductions	13	00	00
14	Total distributive share (See instructions)	14	50000	30000

The owner filed Form PT-AGR Year \_\_\_\_\_ The owner is a Domestic 2nd tier PTE

**Part 4 Distributive Share of Montana Source Income (Loss)**

**Part 5 Supplemental Information**

1	PTET paid on behalf of owner. (See instructions)	1	2025	00
2	Montana composite income tax paid on behalf of owner	2	00	00
3a	Montana income tax withheld on behalf of owner. (See instructions)	3a	00	00
3b	Montana income tax withheld by a lower tier pass-through entity	3b	00	00
3c	Add lines 3a and 3b. This is your total Montana income tax withheld on your behalf.	3c	00	00
4	Montana mineral royalty tax withheld	4	00	00
5	Other information. List type _____ and amount _____	5	00	00

Credit Code \_\_\_\_\_ Credit Authorization Number \_\_\_\_\_ Amount of credit \_\_\_\_\_

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## Case 1: PTR

K-1 of Resident.

PTET is calculated out of MTSI that equals 100% of distributable share.

$$PTET = \$50k \times 6.75\%$$

**Montana Schedule K-1 (PTE)**  
 Owner's Share of Income (Loss), Deductions, Credits, etc.  
 For the calendar year 2023, or tax year beginning 11/01/2023 and ending 10/31/2023

Mark applicable boxes:  Amended Schedule K-1  Final Schedule K-1

**Part 1 PTE Information**  
 Pass-through Entity's Name: Example 1  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_  
 FEIN: \_\_\_\_\_

**Part 2 Owner Information**  
 Name: Owner 2  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_  
 Owner Type:  Resident  Nonresident  
 Special Allocations (See instructions)   
 The owner is included in a pass-through entity tax election   
 Resident owner PTE election (See instructions)   
 The owner is included in a composite income tax return   
 Profit and loss percentage: 50.0000 %  
 Capital/Ownership: 50.0000 %

Part 3 Adj.	Montana Adjustments (See worksheet on page 9)		A. Everywhere	B. Montana
	1	2		
1	Additions	1	00	00
2	Subtractions	2	00	00
1	Ordinary business income (loss)	1	50000	30000
2	Net rental real estate income (loss)	2	00	00
3	Other net rental income (loss)	3	00	00
4	Guaranteed payments	4	00	00
5	Interest income	5	00	00
6	Ordinary dividends	6	00	00
7	Royalties	7	00	00
8	Net short-term capital gain (loss)	8	00	00
9	Net long-term capital gain (loss)	9	00	00
10	Net section 1231 gain (loss)	10	00	00
11	Other income (loss) (include detailed statement)	11	00	00
12	Section 179 expense deduction	12	00	00
13	Other expense deductions	13	00	00
14	Total distributive share (See instructions)	14	50000	30000

The owner filed Form PT-AGR Year \_\_\_\_\_ The owner is a Domestic 2nd tier PTE

**Part 4 Distributive Share of Montana Source Income (Loss)**

**Part 5 Supplemental Information**

1	PTET paid on behalf of owner. (See instructions)	1	3375	00
2	Montana composite income tax paid on behalf of owner	2	00	00
3a	Montana income tax withheld on behalf of owner. (See instructions)	3a	00	00
3b	Montana income tax withheld by a lower tier pass-through entity	3b	00	00
3c	Add lines 3a and 3b. This is your total Montana income tax withheld on your behalf.	3c	00	00
4	Montana mineral royalty tax withheld	4	00	00
5	Other information. List type _____ and amount _____	5	00	00

Credit Code \_\_\_\_\_ Credit Authorization Number \_\_\_\_\_ Amount of credit \_\_\_\_\_

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**Case 1: PTR**  
**Page 2 shows**  
**the result.**

Form PTE, Page 2 – 2023

FEIN

Prepayments	21	2023 payments	21	00
	22	2022 overpayment applied to 2023	22	00
	23	Add lines 21 and 22.	23	00
Pass-through Entity Tax and Composite Tax	24	Total taxable income subject to pass-through entity tax from all owners' MT Schedules K-1, Part 4, line 14 (see instructions)	24	8 000 00
	25	Total pass-through entity tax from all owners' MT Schedules K-1, Part 5, line 1	25	5 400 00
	26	Flow-Through Payments Schedule, Column A, line 12	26	2 000 00
	27	Add lines 23 and 26, then subtract from line 25.	27	3 400 00
	28	Total composite tax from Schedule IV, Column H	28	00
	29	Flow-Through Payments Schedule, Column B, line 12	29	00
	30	Add lines 27 and 28, then subtract line 29.	30	3 400 00
	31	Interest on underpayment of estimated tax (see instructions)	31	00
	32	Total pass-through withholding from all owners' MT Schedules K-1, Part 5, line 3a	32	00
	33	PTE's tax liability resulting from an adjustment to partnership income (see instructions)	33	00
Pass-Through Withholding	34	Flow-Through Payments Schedule, Column C, line 12	34	00
	35	Add lines 32 and 33, then subtract from line 34.	35	00
	36	PTE information return late filing penalty	36	00
Total	37	Add lines 30, 31, 35, and 36.	37	3 400 00
	38	For amended returns only - previously issued refunds	38	00
Amended Return	39	For amended returns only - payments made with original return	39	00
	40	Add lines 37 and 38, then subtract line 39.	40	3 400 00
Penalty and Interest	41	Late payment penalty	41	00
	42	Interest	42	00
Amount Owed or Refund	43	Add lines 40 through 42.	43	3 400 00
	44	If line 43 is more than zero, enter the amount here.	44	3 400 00
	45	If line 43 is less than zero, enter the amount here.	45	00
	46	Enter the amount from line 45 that you want applied to your 2024 tax	46	00
	47	Subtract line 46 from line 45.	47	00

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**CASE 2: S Corp.**  
**Not electing PTET**  
**Flow-through payment: PTET**  
**Credit.**

Form PTE 2023 Montana Pass-Through Entity Tax Return

Partnership  S corporation

Page 1 For calendar year 2023 or tax year beginning 11/01/2023 and ending 12/31/2023

Initial return  Amended return  Refund return  PTP  PTET

Resident PTET: Enter Number of Schedules K-1 Included Resident Owners 2 Nonresident Owners 1 Schedules DE Included Schedules K-1 Received 1

Owners' Distributive Share of Income Items (Federal Schedule K)

1	Ordinary business income (loss)	1	500 000 00
2	Net rental real estate income (loss) (include federal Form 8825)	2	00
3a	Other gross rental income (loss)	3a	00
3b	Expenses from other rental activities (include detailed statement)	3b	00
3	Subtract line 3b from line 3a.	3	00
4a	Guaranteed payments: Services	4a	00
4b	Guaranteed payments: Capital	4b	00
4	Add lines 4a and 4b	4	00
5	Interest income	5	00
6	Ordinary dividends	6	00
7	Royalties	7	00
8	Net short-term capital gain (loss) (include federal Schedule D)	8	00
9	Net long-term capital gain (loss) (include federal Schedule D)	9	00
10	Net section 1231 gain (loss) (include federal Form 4797)	10	00
11	Other income (loss) (include detailed statement)	11	00
12	Add lines 1 through 11 and enter result.	12	500 000 00

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

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

Montana Source Income

15a	Montana additions to the PTE's apportionable activities	15a	00
15b	Montana subtractions from the PTE's apportionable activities	15b	00
15	Total everywhere income (loss) from federal Schedules K-1	15	3 375 00
16a	Total everywhere income (loss) from disregarded entities	16a	00
16b	Other nonapportionable income (loss) from the PTE's own activities	16b	00
16	Add lines 16a through 16b.	16	3 375 00
17	Add lines 14 and 16, then subtract line 14.	17	4 662 50 00
18	Income (loss) apportioned to Montana, Multiply line 17 x 60.0000 %	18	2 797 50 00
19a	Total Montana source income received from pass-through entities (Montana source income from MT Schedules K-1 issued to this entity)	19a	3 375 00
19b	Total Montana source income from Schedules VII	19b	00
19c	Nonapportionable income allocated to Montana. (See instructions)	19c	00
19	Add lines 19a through 19c.	19	3 375 00
20	Add lines 18 and 19, enter result.	20	31 350 00

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# Case 2: S Corp

PTET credit = \$5000

All credit is passed through because all owners are affected owners.

Form PTE, Page 3—2023

FEIN

### Flow-Through Payments Schedule

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

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

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

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

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

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

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# Case 2: S Corp

K-1 of Resident.

PTET credit is \$2,500

Note the add-back flowing from the lower-tier.

### Montana Schedule K-1

(PTE)

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

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

Mark applicable boxes:  Amended Schedule K-1  Final Schedule K-1

Pass-through Entity's Name: Case 2  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

Name: Owner 2  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

Owner Type:  Resident  Nonresident

Profit and Loss percentage: 50.0000 %  
Capital Ownership: 50.0000 %

Part 3 Adj.	Montana Adjustments (See worksheet on page 9)	A, Everywhere	B, Montana
1	Additions	3000 00	3000 00
2	Subtractions	00	00
1	Ordinary business income (loss)	250000 00	156750 00
2	Net rental real estate income (loss)	00	00
3	Other net rental income (loss)	00	00
4	Guaranteed payments	00	00
5	Interest income	00	00
6	Ordinary dividends	00	00
7	Royalties	00	00
8	Net short-term capital gain (loss)	00	00
9	Net long-term capital gain (loss)	00	00
10	Net section 1231 gain (loss)	00	00
11	Other income (loss) (include detailed statement)	00	00
12	Section 179 expense deduction	00	00
13	Other expense deductions	00	00
14	Total distributive share (See instructions)	253000 00	159750 00

The owner filed Form PT-AGR \_\_\_\_\_ Year \_\_\_\_\_ The owner is a Domestic 2nd tier PTE

Part 5 Supplemental Information		
1	PTET paid on behalf of owner. (See instructions)	2500 00
2	Montana composite income tax paid on behalf of owner	00
3a	Montana income tax withheld on behalf of owner. (See instructions)	00
3b	Montana income tax withheld by a lower tier pass-through entity	00
3c	Add lines 3a and 3b. <b>This is your total Montana income tax withheld on your behalf.</b>	00
4	Montana mineral royalty tax withheld	00
5	Other information, List type _____ and amount _____	00

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## Case 2: S Corp

K-1 of Nonresident.

PTET credit is 50% of the PTET credit received by the PTE

PT-WTH of \$10,783 is reduced by the amount of PTET credit to \$8,283

**Montana Schedule K-1 (PTE)**  
 Owner's Share of Income (Loss), Deductions, Credits, etc.  
 For the calendar year 2023, or tax year beginning 0000000000 and ending 0000000000

Mark applicable boxes:  Amended Schedule K-1  Final Schedule K-1

**Part 1 PTE Information**  
 Pass-through Entity's Name: Case 2 FEIN: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  
 Mailing Address: [ ]  
 City: [ ] State: [ ] [ ] ZIP Code: [ ]

**Part 2 Owner Information**  
 Name: Owner 1 FEIN: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  
 OR SSN: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  
 Mailing Address: [ ]  
 City: [ ] State: [ ] [ ] ZIP Code: [ ]  
 Owner Type:  Resident  Nonresident  
 Special Allocations (See instructions)   
 The owner is included in a pass-through entity tax election   
 Resident owner PTET election (See instructions)   
 The owner is included in a composite income tax return   
 Profit and loss percentage: 50.0000 %  
 Capital/Ownership: 50.0000 %

**Part 3 Montana Adjustments (See worksheet on page 9)**

	A, Everywhere	B, Montana
1 Additions	3000.00	3000.00
2 Subtractions	00.00	00.00
1 Ordinary business income (loss)	250000.00	156750.00
2 Net rental real estate income (loss)	00.00	00.00
3 Other net rental income (loss)	00.00	00.00
4 Guaranteed payments	00.00	00.00
5 Interest income	00.00	00.00
6 Ordinary dividends	00.00	00.00
7 Royalties	00.00	00.00
8 Net short-term capital gain (loss)	00.00	00.00
9 Net long-term capital gain (loss)	00.00	00.00
10 Net section 1231 gain (loss)	00.00	00.00
11 Other income (loss) (include detailed statement)	00.00	00.00
12 Section 179 expense deduction	00.00	00.00
13 Other expense deductions	00.00	00.00
14 Total distributive share (See instructions)	253000.00	159750.00

**Part 4 Distributive Share of Montana Source Income (Loss)**

The owner filed Form PT-AGR Year [ ] [ ] [ ] [ ] The owner is a Domestic 2nd tier PTE

**Part 5 Supplemental Information**

1 PTET paid on behalf of owner. (See instructions)	1	2500.00
2 Montana composite income tax paid on behalf of owner	2	00.00
3a Montana income tax withheld on behalf of owner. (See instructions)	3a	8283.00
3b Montana income tax withheld by a lower tier pass-through entity	3b	00.00
3c Add lines 3a and 3b. This is your total Montana income tax withheld on your behalf.	3c	00.00
4 Montana mineral royalty tax withheld	4	00.00
5 Other information. List type [ ] and amount	5	00.00

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## Case 2: SBC

Page 2 shows the result.

21	2023 payments	21	00.00
22	2022 overpayment applied to 2023	22	00.00
23	Add lines 21 and 22. Total prepayments	23	00.00
24	Total taxable income subject to pass-through entity tax from all owners' MT Schedules K-1, Part 4, line 14 (see instructions)	24	00.00
25	Total pass-through entity tax from all owners' MT Schedules K-1, Part 5, line 1	25	00.00
26	Flow-Through Payments Schedule, Column A, line 12	26	00.00
27	Add lines 23 and 26, then subtract from line 25. Pass-through entity tax due or (overpayment)	27	00.00
28	Total composite tax from Schedule IV, Column H	28	00.00
29	Flow-Through Payments Schedule, Column B, line 12	29	00.00
30	Add lines 27 and 28, then subtract line 29. Composite tax and pass-through entity tax due or (overpayment)	30	00.00
31	Interest on underpayment of estimated tax (see instructions)	31	00.00
32	Total pass-through withholding from all owners' MT Schedules K-1, Part 5, line 3a	32	8283.00
33	PTE's tax liability resulting from an adjustment to partnership income (see instructions)	33	00.00
34	Flow-Through Payments Schedule, Column C, line 12	34	00.00
35	Add lines 32 and 33, then subtract from line 34. Pass-through withholding and other partnership liability due or (overpayment)	35	8283.00
36	PTE information return late filing penalty	36	00.00
37	Add lines 30, 31, 35, and 36. Total PTE taxes with interest and/or penalty	37	8283.00
38	For amended returns only - previously issued refunds	38	00.00
39	For amended returns only - payments made with original return	39	00.00
40	Add lines 37 and 38, then subtract line 39.	40	8283.00
41	Late payment penalty	41	00.00
42	Interest	42	00.00
43	Add lines 40 through 42. Total tax, penalties, and interest	43	8283.00
44	If line 43 is more than zero, enter the amount here. This is the amount you owe.	44	8283.00
45	If line 43 is less than zero, enter the amount here. This is your overpayment.	45	00.00
46	Enter the amount from line 45 that you want applied to your 2024 tax	46	00.00
47	Subtract line 46 from line 45. This is your refund.	47	00.00

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**CASE 3: Complex PTR**  
**PTET election**  
**Resident Election**  
**Flow-through payments**

**Form PTE 2023 Montana Pass-Through Entity Tax Return**  
 Include a complete copy of all related federal forms and schedules.  
 Partnership  S corporation

Page 1 For calendar year 2023 or tax year beginning and ending  
 Name: [Redacted] FEIN: [Redacted]  
 Initial return Cause 3 Federal Business Code/NAICS: [Redacted]  
 Final return Mailing Address: [Redacted] MT Secretary of State ID #: [Redacted]  
 Amended return Date of Registration in Montana: [Redacted]  
 Refund return City: [Redacted] State: [Redacted] ZIP Code + 4: [Redacted] State formed in: [Redacted] on: [Redacted]

PTET  
 Resident PTET

Enter Number of:	Schedules K-1 Included	Nonresident Owners	Schedules DE Included
Resident Owners	6	1	1
Other Types of Owners	4	4	1

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

1 Ordinary business income (loss)	1	10,000.00
2 Net rental real estate income (loss) (include federal Form 8822)	2	0.00
3a Other gross rental income (loss)	3a	0.00
3b Expenses from other rental activities (include detailed statement)	3b	0.00
3 Subtract line 3b from line 3a	3	0.00
4a Guaranteed payments: Services	4a	0.00
4b Guaranteed payments: Capital	4b	0.00
4 Add lines 4a and 4b	4	0.00
5 Interest income	5	0.00
6 Ordinary dividends	6	7.00
7 Royalties	7	0.00
8 Net short-term capital gain (loss) (include federal Schedule D)	8	0.00
9 Net long-term capital gain (loss) (include federal Schedule D)	9	0.00
10 Net section 1231 gain (loss) (include federal Form 4797)	10	0.00
11 Other income (loss) (include detailed statement)	11	0.00
12 Add lines 1 through 11 and enter result	12	10,000.00

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

13a Section 179 deduction (include federal Form 4552)	13a	0.00
13b Contributions	13b	0.00
13c Investment interest expense	13c	0.00
13d Section 562(g) expenses (include detailed statement)	13d	0.00
13e Other deductions (include detailed statement)	13e	0.00
13 Add lines 13a through 13e and enter result	13	0.00
14 Subtract line 13 from line 12	14	40,000.00
15 Montana additions to the PTE's apportionable activities	15	0.00
16a Montana subtractions from the PTE's apportionable activities	16a	0.00
16b Total everywhere income (loss) from federal Schedules K-1	16b	60,000.00
16c Total everywhere income (loss) from disregarded entities	16c	0.00
16d Other nonapportionable income (loss) from the PTE's own activities	16d	0.00
16 Add lines 16a through 16d	16	60,000.00
17 Add lines 14 and 15, then subtract line 16	17	40,000.00
Schedule 1 not required: 0% Montana activity	18	0.00
18 Income (loss) apportioned to Montana. Multiply line 17 x 60.0000 %	18	24,000.00
19a Total Montana source income received from pass-through entities (Montana source income from MT Schedules K-1 issued to this entity)	19a	45,000.00
19b Total Montana source income from Schedules VI	19b	0.00
19c Nonapportionable income allocated to Montana. (See instructions)	19c	0.00
19 Add lines 19a through 19c	19	45,000.00
20 Add lines 18 and 19, enter result	20	69,000.00

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**Case 3: PTR**  
**Flow-through payments are allocated based on profit and loss.**  
**Some MRW is pushed out to the entity not subject to any tax.**

**Flow-Through Payments Schedule**

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

Entity Name	FEIN	A. Mineral royalty withholding received	B. Pass-through withholding received	C. Pass-through entity tax received
1 MRW LLC	4 4 4 4 4 4 4 4 4	100.00	0.00	0.00
2 PTW LLC		0.00	1,688.00	0.00
3 PTET LLC		0.00	0.00	1350.00
4		0.00	0.00	0.00
<b>5 Totals</b>		<b>100.00</b>	<b>1,688.00</b>	<b>1,350.00</b>

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

	Schedules K-1 subject to:		
	A. Pass-through entity tax	B. Composite tax	C. Other
1 Sum of profit and loss percentage of all MT Schedules K-1 subject to applicable Column(s) A, B, and C	72.0000 %	7.0000 %	21.0000 %
2 Multiply total in Part I, Column A by percentage on line 1 for each column	72.00	7.00	21.00
3 Mineral royalty withholding passed to owners			12.00
4 Enter Column A, line 2 and Column B, line 2. Subtract Column C, line 3 from Column C, line 2.			9.00
<b>Balance of mineral royalty withholding the PTE can claim as a credit.</b>	<b>72.00</b>	<b>7.00</b>	<b>9.00</b>
5 Multiply total in Part I, Column B by percentage on line 1 for each column	1215.00	118.00	354.00
6 Pass-through withholding passed to owners			0.00
7 Enter Column A, line 5 and Column B, line 5. Subtract Column C, line 6 from Column C, line 5.			0.00
<b>Balance of pass-through withholding the PTE can claim as a credit.</b>	<b>1215.00</b>	<b>118.00</b>	<b>354.00</b>
8 If Column A, line 1 is greater than 0%, enter the total from Part I, Column C	1350.00		
9 If Column A, line 1 is 0%, multiply the total in Part I, Column C by Columns B and C, line 1		0.00	0.00
10 Total pass-through entity tax passed to owners			0.00
11 Enter Column B, line 9. Subtract Column C, line 10 from line 9.			0.00
<b>Credit balance for PTE not electing to pay PTET</b>			<b>0.00</b>
12 Add lines 4, 7, 8, and 11 in each column.	2637.00	125.00	363.00
<b>Total payments the PTE can claim as a credit</b>			<b>363.00</b>

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

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

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## Case 3: PTR

K-1 of Resident.

PTET is calculated out of MTSI that equals 100% of distributable share.

PTET = \$7,105 x 6.75%

Note that the additions on

Part 3 are identified on Part 7

**Montana Schedule K-1**  
(PTE)  
Owner's Share of Income (Loss), Deductions, Credits, etc.

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

Mark applicable boxes: Amended Schedule K-1  Final Schedule K-1

**Part 1 PTE Information**  
Pass-through Entity's Name: Case 3  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_ FEIN: \_\_\_\_\_

**Part 2 Owner Information**  
Name: Owner 1  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_ FEIN OR SSN: \_\_\_\_\_  
Beneficial owner: FEIN or SSN: \_\_\_\_\_  
Owner Type:  I  Resident  Nonresident  
Special Allocations (See instructions)   
 The owner is included in a pass-through entity tax election  
 Resident owner PTE election (See instructions)  
The owner is included in a composite income tax return   
Profit and loss percentage: 7.0000 %  
Capital/Ownership: 7.0000 %

**Part 3 Adj.**  
**Montana Adjustments** (See worksheet on page 9)

	A, Everywhere	B, Montana
1 Additions	1,050.00	53.00
2 Subtractions	0.00	0.00
1 Ordinary business income (loss)	7,000.00	4,200.00
2 Net rental real estate income (loss)	0.00	0.00
3 Other net rental income (loss)	0.00	0.00
4 Guaranteed payments	0.00	0.00
5 Interest income	0.00	0.00
6 Ordinary dividends	0.00	0.00
7 Royalties	0.00	0.00
8 Net short-term capital gain (loss)	0.00	0.00
9 Net long-term capital gain (loss)	0.00	0.00
10 Net section 1231 gain (loss)	0.00	0.00
11 Other income (loss) (include detailed statement)	0.00	0.00
12 Section 179 expense deduction	0.00	0.00
13 Other expense deductions	0.00	0.00
14 Total distributable share (See instructions)	7,105.00	4,253.00

**Part 4 Distributive Share of Montana Source Income (Loss)**

The owner filed Form PT-AGR Year \_\_\_\_\_ The owner is a Domestic 2nd tier PTE

**Part 5 Supplemental Information**

1 PTET paid on behalf of owner, (See instructions)	1	480.00
2 Montana composite income tax paid on behalf of owner	2	0.00
3a Montana income tax withheld on behalf of owner, (See instructions)	3a	0.00
3b Montana income tax withheld by a lower tier pass-through entity	3b	0.00
3c Add lines 3a and 3b. This is your total Montana income tax withheld on your behalf.	3c	0.00
4 Montana mineral royalty tax withheld	4	0.00
5 Other information, List type _____ and amount _____	5	0.00

**Part 6 Tax Credits**

Credit Code	Credit Authorization Number	Amount of credit
1		0.00
2		0.00
3		0.00

**Part 7 PTE Use**

Code	Amount	Code	Amount	Code	Amount
1 Code 1 A,B	1,050.00	2 Code 2 A,B	53.00	3 Code	0.00
4 Code	0.00	5 Code	0.00	6 Code	0.00
7 Code	0.00	8 Code	0.00	9 Code	0.00

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## Case 3: PTR

K-1 of PTR

PTET is calculated out of the apportioned and allocated MTSI.

**Montana Schedule K-1**  
(PTE)  
Owner's Share of Income (Loss), Deductions, Credits, etc.

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

Mark applicable boxes: Amended Schedule K-1  Final Schedule K-1

**Part 1 PTE Information**  
Pass-through Entity's Name: Case 3  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_ FEIN: \_\_\_\_\_

**Part 2 Owner Information**  
Name: Owner 2  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_ FEIN OR SSN: \_\_\_\_\_  
Beneficial owner: FEIN or SSN: \_\_\_\_\_  
Owner Type:  P  Resident  Nonresident  
Special Allocations (See instructions)   
 The owner is included in a pass-through entity tax election  
 Resident owner PTE election (See instructions)  
The owner is included in a composite income tax return   
Profit and loss percentage: 38.0000 %  
Capital/Ownership: 38.0000 %

**Part 3 Adj.**  
**Montana Adjustments** (See worksheet on page 9)

	A, Everywhere	B, Montana
1 Additions	570.00	285.00
2 Subtractions	0.00	0.00
1 Ordinary business income (loss)	38,000.00	22,800.00
2 Net rental real estate income (loss)	0.00	0.00
3 Other net rental income (loss)	0.00	0.00
4 Guaranteed payments	0.00	0.00
5 Interest income	0.00	0.00
6 Ordinary dividends	0.00	0.00
7 Royalties	0.00	0.00
8 Net short-term capital gain (loss)	0.00	0.00
9 Net long-term capital gain (loss)	0.00	0.00
10 Net section 1231 gain (loss)	0.00	0.00
11 Other income (loss) (include detailed statement)	0.00	0.00
12 Section 179 expense deduction	0.00	0.00
13 Other expense deductions	0.00	0.00
14 Total distributable share (See instructions)	38,570.00	23,085.00

**Part 4 Distributive Share of Montana Source Income (Loss)**

The owner filed Form PT-AGR Year \_\_\_\_\_ The owner is a Domestic 2nd tier PTE

**Part 5 Supplemental Information**

1 PTET paid on behalf of owner, (See instructions)	1	1,558.00
2 Montana composite income tax paid on behalf of owner	2	0.00
3a Montana income tax withheld on behalf of owner, (See instructions)	3a	0.00
3b Montana income tax withheld by a lower tier pass-through entity	3b	0.00
3c Add lines 3a and 3b. This is your total Montana income tax withheld on your behalf.	3c	0.00
4 Montana mineral royalty tax withheld	4	0.00
5 Other information, List type _____ and amount _____	5	0.00

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### Case 3: PTR

K-1 of C Corp

No PTET because the C corp. is not affected by the election.

MRW is pushed out to the C Corp because it is not subject to any taxes.

Part 2 Owner Information	Name Owner 3	FEIN OR		
	Mailing Address	SSN		
Part 3 Adj.	City	State	ZIP Code	
	Owner Type <input checked="" type="checkbox"/> C <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident	Beneficial owner FEIN or SSN		
Part 4 Distributive Share of Montana Source Income (Loss)	Special Allocations (See instructions)		Profit and loss percentage 12.0000 %	
	The owner is included in a pass-through entity tax election		Capital/Ownership 12.0000 %	
	Resident owner PTET election (See instructions)			
	The owner is included in a composite income tax return			
	Montana Adjustments (See worksheet on page 9)		A, Everywhere	B, Montana
	1 Additions	1	180.00	90.00
	2 Subtractions	2	0.00	0.00
	1 Ordinary business income (loss)	1	1200.00	720.00
	2 Net rental real estate income (loss)	2	0.00	0.00
	3 Other net rental income (loss)	3	0.00	0.00
	4 Guaranteed payments	4	0.00	0.00
	5 Interest income	5	0.00	0.00
	6 Ordinary dividends	6	0.00	0.00
	7 Royalties	7	0.00	0.00
8 Net short-term capital gain (loss)	8	0.00	0.00	
9 Net long-term capital gain (loss)	9	0.00	0.00	
10 Net section 1231 gain (loss)	10	0.00	0.00	
11 Other income (loss) (include detailed statement)	11	0.00	0.00	
12 Section 179 expense deduction	12	0.00	0.00	
13 Other expense deductions	13	0.00	0.00	
14 Total distributive share (See instructions)	14	12180.00	7290.00	
Part 5 Supplemental Information	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="checkbox"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>			
	1 PTET paid on behalf of owner, (See instructions)	1	0.00	
	2 Montana composite income tax paid on behalf of owner	2	0.00	
	3a Montana income tax withheld on behalf of owner, (See instructions)	3a	0.00	
	3b Montana income tax withheld by a lower tier pass-through entity	3b	0.00	
3c Add lines 3a and 3b, This is your total Montana income tax withheld on your behalf.	3c	0.00		
4 Montana mineral royalty tax withheld	4	12.00		
5 Other information, List type <input type="checkbox"/> and amount <input type="checkbox"/>	5	0.00		

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### Case 3: PTR

K-1 of Foreign C Corp.

No PTET because the Foreign C corp. is not affected by the election.

Foreign C corp. is subject to Composite tax. No flow-through payments are pushed out.

Part 2 Owner Information	Name Owner 4	FEIN OR		
	Mailing Address	SSN		
Part 3 Adj.	City	State	ZIP Code	
	Owner Type <input checked="" type="checkbox"/> F <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident	Beneficial owner FEIN or SSN		
Part 4 Distributive Share of Montana Source Income (Loss)	Special Allocations (See instructions)		Profit and loss percentage 7.0000 %	
	The owner is included in a pass-through entity tax election		Capital/Ownership 7.0000 %	
	Resident owner PTET election (See instructions)			
	The owner is included in a composite income tax return			
	Montana Adjustments (See worksheet on page 9)		A, Everywhere	B, Montana
	1 Additions	1	105.00	53.00
	2 Subtractions	2	0.00	0.00
	1 Ordinary business income (loss)	1	7000.00	4200.00
	2 Net rental real estate income (loss)	2	0.00	0.00
	3 Other net rental income (loss)	3	0.00	0.00
	4 Guaranteed payments	4	0.00	0.00
	5 Interest income	5	0.00	0.00
	6 Ordinary dividends	6	0.00	0.00
	7 Royalties	7	0.00	0.00
8 Net short-term capital gain (loss)	8	0.00	0.00	
9 Net long-term capital gain (loss)	9	0.00	0.00	
10 Net section 1231 gain (loss)	10	0.00	0.00	
11 Other income (loss) (include detailed statement)	11	0.00	0.00	
12 Section 179 expense deduction	12	0.00	0.00	
13 Other expense deductions	13	0.00	0.00	
14 Total distributive share (See instructions)	14	7105.00	4253.00	
Part 5 Supplemental Information	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="checkbox"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>			
	1 PTET paid on behalf of owner, (See instructions)	1	0.00	
	2 Montana composite income tax paid on behalf of owner	2	12.00	
	3a Montana income tax withheld on behalf of owner, (See instructions)	3a	0.00	
	3b Montana income tax withheld by a lower tier pass-through entity	3b	0.00	
3c Add lines 3a and 3b, This is your total Montana income tax withheld on your behalf.	3c	0.00		
4 Montana mineral royalty tax withheld	4	0.00		
5 Other information, List type <input type="checkbox"/> and amount <input type="checkbox"/>	5	0.00		

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### Case 3: PTR

K-1 of Foreign C Corp.

No PTET because the Foreign C corp. is not affected by the election.

Foreign C corp. is subject to PT-WTH. No flow-through payments are pushed out.

Part 2 Owner Information	Name Owner 5	FEIN	
	Mailing Address	OR	
Part 2 Owner Information	City	SSN	
	State	Beneficial owner	
Part 2 Owner Information	ZIP Code	FEIN	
	Owner Type <input type="checkbox"/> F <input type="checkbox"/> Resident <input type="checkbox"/> Nonresident	or SSN	
Part 2 Owner Information	Special Allocations (See instructions)	Profit and loss percentage	9.0000 %
	<input type="checkbox"/> The owner is included in a pass-through entity tax election	Capital/Ownership	9.0000 %
Part 2 Owner Information	<input type="checkbox"/> Resident owner PTET election (See instructions)		
	<input type="checkbox"/> The owner is included in a composite income tax return		
Part 3 Adj.	Montana Adjustments (See worksheet on page 9)	A, Everywhere	B, Montana
Part 4 Distributive Share of Montana Source Income (Loss)	1 Additions	1 135.00	68.00
	2 Subtractions	2 00.00	00.00
	1 Ordinary business income (loss)	1 9000.00	5400.00
	2 Net rental real estate income (loss)	2 00.00	00.00
	3 Other net rental income (loss)	3 00.00	00.00
	4 Guaranteed payments	4 00.00	00.00
	5 Interest income	5 00.00	00.00
	6 Ordinary dividends	6 00.00	00.00
	7 Royalties	7 00.00	00.00
	8 Net short-term capital gain (loss)	8 00.00	00.00
	9 Net long-term capital gain (loss)	9 00.00	00.00
	10 Net section 1231 gain (loss)	10 00.00	00.00
	11 Other income (loss) (include detailed statement)	11 00.00	00.00
	12 Section 179 expense deduction	12 00.00	00.00
13 Other expense deductions	13 00.00	00.00	
14 Total distributive share (See instructions)	14 9135.00	5468.00	
Part 5 Supplemental Information	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="checkbox"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>		
	1 PTET paid on behalf of owner, (See instructions)	1	00.00
	2 Montana composite income tax paid on behalf of owner	2	00.00
	3a Montana income tax withheld on behalf of owner, (See instructions)	3a	369.00
	3b Montana income tax withheld by a lower tier pass-through entity	3b	00.00
3c Add lines 3a and 3b, This is your total Montana income tax withheld on your behalf.	3c	369.00	
4 Montana mineral royalty tax withheld	4	00.00	
5 Other information, List type <input type="checkbox"/> and amount	5	00.00	

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### Case 3: PTR

K-1 of Nonresident Trust

PTET is calculated out of apportioned income.

Part 2 Owner Information	Name Owner 6	FEIN	
	Mailing Address	OR	
Part 2 Owner Information	City	SSN	
	State	Beneficial owner	
Part 2 Owner Information	ZIP Code	FEIN	
	Owner Type <input type="checkbox"/> T <input type="checkbox"/> Resident <input checked="" type="checkbox"/> Nonresident	or SSN	
Part 2 Owner Information	Special Allocations (See instructions)	Profit and loss percentage	27.0000 %
	<input checked="" type="checkbox"/> The owner is included in a pass-through entity tax election	Capital/Ownership	27.0000 %
Part 2 Owner Information	<input type="checkbox"/> Resident owner PTET election (See instructions)		
	<input type="checkbox"/> The owner is included in a composite income tax return		
Part 3 Adj.	Montana Adjustments (See worksheet on page 9)	A, Everywhere	B, Montana
Part 4 Distributive Share of Montana Source Income (Loss)	1 Additions	1 405.00	203.00
	2 Subtractions	2 00.00	00.00
	1 Ordinary business income (loss)	1 27000.00	16200.00
	2 Net rental real estate income (loss)	2 00.00	00.00
	3 Other net rental income (loss)	3 00.00	00.00
	4 Guaranteed payments	4 00.00	00.00
	5 Interest income	5 00.00	00.00
	6 Ordinary dividends	6 00.00	00.00
	7 Royalties	7 00.00	00.00
	8 Net short-term capital gain (loss)	8 00.00	00.00
	9 Net long-term capital gain (loss)	9 00.00	00.00
	10 Net section 1231 gain (loss)	10 00.00	00.00
	11 Other income (loss) (include detailed statement)	11 00.00	00.00
	12 Section 179 expense deduction	12 00.00	00.00
13 Other expense deductions	13 00.00	00.00	
14 Total distributive share (See instructions)	14 27405.00	16403.00	
Part 5 Supplemental Information	The owner filed Form PT-AGR <input type="checkbox"/> Year <input type="checkbox"/> The owner is a Domestic 2nd tier PTE <input type="checkbox"/>		
	1 PTET paid on behalf of owner, (See instructions)	1	1107.00
	2 Montana composite income tax paid on behalf of owner	2	00.00
	3a Montana income tax withheld on behalf of owner, (See instructions)	3a	00.00
	3b Montana income tax withheld by a lower tier pass-through entity	3b	00.00
3c Add lines 3a and 3b, This is your total Montana income tax withheld on your behalf.	3c	00.00	
4 Montana mineral royalty tax withheld	4	00.00	
5 Other information, List type <input type="checkbox"/> and amount	5	00.00	

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**Case 3: PTR**

**Page 2 shows the “cascade of payments” ending in a refund this time.**

**Note that the overpayment of PTET may result in recognition of income.**

Prepayments	21	2023 payments	21	1,000.00
	22	2022 overpayment applied to 2023	22	0.00
	23	Add lines 21 and 22.	23	1,000.00
Pass-Through Entity Tax and Composite Tax	24	Total taxable income subject to pass-through entity tax from all owners' MT Schedules K-1, Part 4, line 14 (see instructions)	24	46,593.00
	25	Total pass-through entity tax from all owners' MT Schedules K-1, Part 5, line 1	25	3,145.00
	26	Flow-Through Payments Schedule, Column A, line 12	26	2,637.00
	27	Add lines 23 and 26, then subtract from line 25.	27	-492.00
	28	Total composite tax from Schedule IV, Column H	28	12.00
	29	Flow-Through Payments Schedule, Column B, line 12	29	125.00
	30	Add lines 27 and 28, then subtract line 29. Composite tax and pass-through entity tax due or (overpayment)	30	-605.00
Pass-Through Withholding	31	Interest on underpayment of estimated tax (see instructions)	31	0.00
	32	Total pass-through withholding from all owners' MT Schedules K-1, Part 5, line 3a	32	369.00
	33	PTE's tax liability resulting from an adjustment to partnership income (see instructions)	33	0.00
	34	Flow-Through Payments Schedule, Column C, line 12	34	363.00
Total	35	Add lines 32 and 33, then subtract from line 34. Pass-through withholding and other partnership liability due or (overpayment)	35	6.00
	36	PTE information return late filing penalty	36	0.00
Amended Return	37	Add lines 30, 31, 35, and 36. Total PTE taxes with interest and/or penalty	37	-599.00
	38	For amended returns only - previously issued refunds	38	0.00
	39	For amended returns only - payments made with original return	39	0.00
Penalty and Interest	40	Add lines 37 and 38, then subtract line 39.	40	-599.00
	41	Late payment penalty	41	0.00
Amount Owed or Refund	42	Interest	42	0.00
	43	Add lines 40 through 42. Total tax, penalties, and interest	43	-599.00
	44	If line 43 is more than zero, enter the amount here. This is the amount you owe.	44	0.00
	45	If line 43 is less than zero, enter the amount here. This is your overpayment.	45	0.00
	46	Enter the amount from line 45 that you want applied to your 2024 tax. This is your refund.	46	0.00
	47	Subtract line 46 from line 45.	47	599.00

# Montana Pass-Through Entity Tax on the Owner's Return



## PTET Credit



- Owners can claim the PTET as a refundable credit/payment.
- Estimated tax required to be paid is reduced by the PTET payment.

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## Credit for Taxes Paid



Resident owners may claim PTET paid to **other states** as a credit on their income tax returns.



The PTET paid to another state must not have been refunded or carried over to another year. (See Publication 4 - PTET Guide)

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