

No Staples

2014 Montana Individual Income Tax Return

Form 2

For the year Jan 1 - Dec 31, 2014 or the tax year beginning MMDD2014 and ending MMDD20YY

Mark all that apply.

- Amended Return
NOL Carryback

Form fields for taxpayer and spouse information including First Name, Last Name, Social Security Number, and Mailing Address.

Filing Status
Mark only one box.

- 1 Single
2 Married filing jointly
3a Married filing separately on the same form
3b Married filing separately on separate forms
3c Married filing separately and spouse not filing
4 Head of household



File online at revenue.mt.gov

Residency Status
Mark only one box.

- 5a Resident full year
5b Nonresident full year
5c Resident part-year

Resident Part-Year Required Information
Date of change MMDDYYYY
State moved to State moved from

North Dakota reciprocity (see instructions on page 2)

Dependents

Table with columns: First Name, Last Name, Social Security Number, Relationship, Mark if Disabled

Exemptions

- 6a X Yourself 65 or older Blind Enter number marked
6b Spouse 65 or older Blind Enter number marked
6c Enter the total number of dependents.
6d Add lines 6a through 6c and enter total exemptions here

Table for exemption columns: Column A (for single, joint, separate, or head of household), Column B (for spouse when filing separately using filing status 3a)

Enter amounts on lines 7 through 38 corresponding to your federal return. Round to nearest dollar. If no entry, leave blank.

Federal Income

Main income table with rows 7-22 and columns for taxable amounts and total income.



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Federal Adjusted Gross Income

- 23 Your total income from line 22.....
- 24 Educator expenses (**Caution** – see instructions on page 5).....
- 25 Certain business expenses of reservist, etc. Include federal Form 2106 or 2106-EZ.....
- 26 Health savings account deduction. Include federal Form 8889.....
- 27 Moving expenses. Include federal Form 3903.....
- 28 Deductible part of self-employment tax. Attach federal Schedule SE.....
- 29 Self-employed SEP, SIMPLE, and qualified plans.....
- 30 Self-employed health insurance deduction.....
- 31 Penalty on early withdrawal of savings.....
- 32a Alimony paid.....
- 32b Recipient's SSN..... 32b

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- 33 IRA deduction.....
- 34 Student loan interest deduction.....
- 35 Tuition and fees (**Caution** – see instructions on page 5).....
- 36 Domestic production activities deduction. Include federal Form 8903.....
- 37 Add lines 24 through 36 and enter the result here. Federal write-ins.....
- 38 Subtract line 37 from line 23 and enter the result here.....
- 38a Combine amounts on line 38 columns A and B and enter here. **This is your federal adjusted gross income.**..... 38a

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	Column A (for single, joint, separate, or head of household)		Column B (for spouse when filing separately using filing status 3a)	
23		00		00
24		00		00
25		00		00
26		00		00
27		00		00
28		00		00
29		00		00
30		00		00
31		00		00
32a		00		00
33		00		00
34		00		00
35		00		00
36		00		00
37		00		00
38		00		00
38a			00	

Montana AGI

- 39 Enter Montana additions to federal adjusted gross income from Form 2, page 4, Schedule I, line 17.....
- 40 Enter Montana subtractions from federal adjusted gross income from Form 2, page 5, Schedule II, line 35.....
- 41 Add lines 38 and 39; subtract line 40. This is your Montana adjusted gross income.....

39		00		00
40		00		00
41		00		00

Taxable Income

- 42 **Deductions** Standard Deduction (see Worksheet V on page 46)
 Must mark one box. } **OR** Itemized Deductions (from Form 2, Schedule III, line 30).....
- 43 Subtract line 42 from line 41 and enter the result here.....
- 44 Exemptions (All individuals are entitled to at least one exemption.) Multiply \$2330 by the number of exemptions on line 6d and enter the result here.....
- 45 Subtract line 44 from line 43 and enter the result here. **This is your taxable income.**.....

42		00		00
43		00		00
44		00		00
45		00		00

Tax, Nonrefundable Credits and Recapture

- 46 Tax from the tax table on page 7 or from Form 2, page 4. If line 45 is zero or less than zero, enter zero.....
- 47 2% capital gains tax credit.....
- 48 Subtract line 47 from line 46; enter the result here, but not less than zero. **This is your resident tax after capital gains tax credit.**.....
- 48a Nonresident, part-year resident tax after capital gains tax credit. Enter here the amount from Form 2, Schedule IV, line 25, but not less than zero.....
- 49 Tax on lump-sum distributions. Include federal Form 4972.....
- 50 Add lines 48 or 48a and 49 and enter the result here. **This is your total tax.**.....
- 51 Enter the amount from Form 2, Schedule V, line 23, but do not enter an amount larger than the amount on line 50. **This is your total nonrefundable credits.**.....
- 52 Recapture tax(es) (see instructions on page 7) Code

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 Code.....
- 53 Add lines 50 and 52, then subtract the amount on line 51 and enter the result here. **This is your 2014 tax liability.**.....

46		00		00
47		00		00
48		00		00
48a		00		00
49		00		00
50		00		00
51		00		00
52		00		00
53		00		00

Questions? Call us toll free at (866) 859-2254 or in Helena at 444-6900 or TDD (406) 444-2830 for hearing impaired.



Column A (for single, joint, separate, or head of household)
Column B (for spouse when filing separately using filing status 3a)

Payments and Refundable Credits

- 54 Your 2014 tax liability from line 53
55 Montana income tax withheld. Include federal Form(s) W-2 and 1099
56 Montana mineral royalty tax withheld. Include federal Form(s) 1099-MISC and Montana Schedule(s) K-1
57 Montana pass through entity withholding. Include Montana Schedule(s) K-1
58 2014 estimated tax payments and amount applied from your 2013 return
59 2014 extension payments from Form EXT-14
60 Refundable credits from Form 2, Schedule V, line 30
61 If filing an amended return: Payments made with original return
62 If filing an amended return: Previously issued refunds
63 Add lines 55 through 61. Subtract line 62, enter the result here. This is your total payments.
64 If line 54 is greater than line 63, subtract line 63 from line 54. This is your tax due.
65 If line 63 is greater than line 54, subtract line 54 from line 63. This is your tax overpaid.

Table with 4 columns: Line number, Column A, Column B, and another column. Rows 54-65.

Penalties, Interest and Contributions

- 66 Interest on underpayment of estimated taxes (see instructions on page 9)
67 Late file penalty, late payment penalty and interest (see instructions on page 10)
68 Other penalties (see instructions on page 11)
69 Total voluntary check-off contribution programs from lines 69a through 69d
69a Nongame Wildlife Program
69b Child Abuse Prevention
69c Agriculture Literacy in Montana Schools
69d Montana Military Family Relief Fund

Amount You Owe or Your Refund

- 70 Add lines 66 through 69 and enter the result. This is the sum of your total penalties, interest and contributions.
71 If you have tax due (amount on line 64), add lines 64 and 70 OR, if you have a tax overpayment (amount on line 65) and it is less than line 70, subtract line 65 from line 70. Enter the result here. If married filing separately and there are amounts on lines 64 and 65, please see instructions on page 11. This is the amount you owe.
72 If you have a tax overpayment (amount on line 65) and it is greater than line 70, subtract line 70 from line 65 and enter the result here. This is your overpayment.
73 Enter the amount from line 72 that you want applied to your 2015 estimated taxes
74 Subtract line 73 from line 72 and enter the result here. This is your refund.

Direct Deposit Your Refund
1. RTN# [] [] [] [] [] [] [] [] [] []
2. ACCT# []
3. If using direct deposit, you are required to mark one box. [] Checking [] Savings
4. Is this refund going to an account that is located outside of the United States or its territories? [] Yes [] No

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.

Your Signature is Required Date Daytime Telephone Number Spouse's Signature Date
X
Paid Preparer's Signature Paid Preparer's PTIN/SSN Firm's FEIN
Third Party Designee Third Party Designee's Printed Name
Do you want to allow another person (such as a paid preparer) to discuss this return with us (see page 13)?
[] Yes [] No
[] Mark this box if you do not want forms and instructions mailed to you next year.



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Schedule I – Montana Additions to Federal Adjusted Gross Income

Enter your additions to federal adjusted gross income on the corresponding line.

File Schedule I with your Montana Form 2.

		Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
1	Interest and mutual fund dividends from state, county or municipal bonds from other states.....	00	00
2	Dividends not included in federal adjusted gross income.....	00	00
3	Taxable federal refunds. Complete Worksheet II on page 44.....	00	00
4	Other recoveries of amounts deducted in earlier years that reduced Montana taxable income. Complete Worksheet IX (available at <i>revenue.mt.gov</i>).....	00	00
5	Addition to federal taxable social security benefits. Complete Worksheet VIII on page 48.....	00	00
6	Sole proprietor’s allocation of compensation to spouse.....	00	00
7	Medical care savings account nonqualified withdrawals.....	00	00
8	First-time home buyer savings account nonqualified withdrawals.....	00	00
9	Farm and ranch risk management account taxable distributions.....	00	00
10	Addition for dependent care assistance credit.....	00	00
11	Addition for smaller federal estate and trust taxable distributions.....	00	00
12	Federal net operating loss carryover reported on Form 2, line 21.....	00	00
13	Share of federal income taxes paid by your S corporation.....	00	00
14	Title plant depreciation and amortization.....	00	00
15	Premiums for Insure Montana small business health insurance credit.....	00	00
16	Other additions. Specify: <input style="width: 300px;" type="text"/>	00	00
17	Add lines 1 through 16. Enter the total here and on Form 2, line 39. This is your total Montana additions to federal adjusted gross income.	00	00

2014 Montana Individual Income Tax Table

If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax	If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax
\$0	\$2,800	1% (0.010)	\$0		\$10,300	\$13,300	5% (0.050)	\$257	
\$2,800	\$5,000	2% (0.020)	\$28		\$13,300	\$17,100	6% (0.060)	\$390	
\$5,000	\$7,600	3% (0.030)	\$78		More Than \$17,100		6.9% (0.069)	\$544	
\$7,600	\$10,300	4% (0.040)	\$154						

For example: Taxable income \$6,800 X 3% (0.030) = \$204. \$204 minus \$78 = \$126 tax



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Schedule II – Montana Subtractions from Federal Adjusted Gross Income

Enter your subtractions from federal adjusted gross income on the corresponding line.

File Schedule II with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

	Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
1	00	00
2	00	00
3	00	00
4	00	00
5	00	00
6	00	00
7	00	00
8	00	00
9	00	00
10	00	00
11	00	00
12	00	00
13	00	00
14	00	00
15	00	00
16	00	00
17	00	00
18	00	00
19	00	00
20	00	00
21	00	00
22	00	00
23	00	00
24	00	00
25	00	00
26	00	00
27	00	00
28	00	00
29	00	00
30	00	00
31	00	00
32	00	00
33	00	00
34	00	00
35	00	00



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Schedule III – Montana Itemized Deductions

Enter your itemized deductions on the corresponding line.

File Schedule III with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

1	Medical and dental expenses	1		00		00
2	Enter the amount from Form 2, line 41	2		00		00
3	Multiply line 2 by 10% (0.10). But if you were born before January 2, 1950, multiply line 2 by 7.5% (0.075) instead (see instructions on page 23)	3		00		00
4	Subtract line 3 from line 1 and enter the result here, but not less than zero. This is your deductible medical and dental expense subject to a percentage of Montana Adjusted Gross Income	4		00		00
5	Medical insurance premiums not deducted elsewhere on your return	5		00		00
6	Long-term care insurance premiums not deducted elsewhere on your return	6		00		00

Complete lines 7a through 7d reporting your total federal income tax payments made in 2014 before completing line 7e. You cannot deduct your self-employment taxes paid on lines 7a through 7d.

7a	Federal income tax withheld in 2014	7a		00		00
7b	Federal estimated tax payments paid in 2014	7b		00		00
7c	2013 federal income taxes paid in 2014	7c		00		00
7d	Other back year federal income taxes paid in 2014. Include federal Form 1040 or 1040A	7d		00		00
7e	Add lines 7a through 7d and enter the result here, but not more than \$5,000 if you are filing single, head of household, or married filing separately; or \$10,000 if filing a joint return with your spouse. This is your federal income tax deduction.	7e		00		00
8	General state and local sales taxes paid in 2014 (Caution – see instructions on page 24)	8		00		00
9	Local income taxes paid in 2014 (see instructions on page 24)	9		00		00
10	Real estate taxes paid in 2014	10		00		00
11	Personal property taxes paid in 2014 (see instructions on page 25)	11		00		00
12	Other deductible taxes paid in 2014. List type and amount: <input type="text"/>	12		00		00
13	Home mortgage interest and points. If paid to the person from whom you bought the house, provide their name, social security number, and address: <input type="text"/>	13		00		00
14	Qualified mortgage insurance premiums (Caution – see instructions on page 25)	14		00		00
15	Investment interest. Include federal Form 4952	15		00		00
16	Charitable contributions made by cash or check during 2014	16		00		00
17	Charitable contributions made by other than cash or check during 2014	17		00		00
18	Charitable contribution carryover from the prior year	18		00		00
19	Child and dependent care expenses. Include Montana Form 2441-M	19		00		00
20	Casualty or theft loss(es). Include federal Form 4684	20		00		00
21	Unreimbursed employee business expenses. Include federal Form 2106 or 2106-EZ	21		00		00
22	Other expenses. List type and amount: <input type="text"/>	22		00		00
23	Add lines 21 and 22	23		00		00
24	Enter the amount from Form 2, line 41	24		00		00
25	Multiply line 24 by 2% (0.02)	25		00		00
26	Subtract line 25 from line 23 and enter the result here, but not less than zero	26		00		00
27	Political contributions (limited to \$100 per taxpayer)	27		00		00
28	Other miscellaneous deductions not subject to 2% of Montana AGI. List type and amount: <input type="text"/>	28		00		00
29	Gambling losses allowed under federal law	29		00		00
30	Is the amount on Form 2, line 41 more than \$305,050 if filing jointly, \$279,650 if filing head of household, \$254,200 if filing single or \$152,525 if married filing separately? If yes, mark this box <input type="checkbox"/> and complete Worksheet VI-IDL. Otherwise, add lines 4 through 6, 7e through 20; and 26 through 29 and enter result here and on Form 2, line 42. This is your total itemized deductions.	30		00		00



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Schedule IV – Nonresident/Part-Year Resident Tax

Enter on lines 1 through 15 your Montana source income that is included in Montana adjusted gross income on Form 2, lines 7 through 21. Also include Montana source additions and subtractions from Schedules I and II.

File Schedule IV with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

1	Montana wages, salaries, tips, etc.	1		00		00
2	Montana interest.....	2		00		00
3	Montana ordinary dividends	3		00		00
4	Montana refunds, credits, or offsets of local income taxes.....	4		00		00
5	Montana alimony received.....	5		00		00
6	Montana business income or (loss).....	6		00		00
7	Montana capital gain or (loss)	7		00		00
8	Other Montana gains or (losses)	8		00		00
9	Montana IRA distribution	9		00		00
10	Montana pensions and annuities.....	10		00		00
11	Montana rental real estate, royalties, partnerships, S corporations, trust, etc.....	11		00		00
12	Montana farm income or (loss).....	12		00		00
13	Montana social security benefits	13		00		00
14	Any other Montana income (see instructions)	14		00		00
15	Montana source additions to income reported on Form 2, Schedule I (do not include net operating losses reported on Schedule I, line 12)	15		00		00
16	Add lines 1 through 15 and enter the result here. This is your Montana source income. ..	16		00		00
17	Enter the total of your federal income from Form 2, line 22	17		00		00
18	Enter your Montana additions from Form 2, Schedule I, line 17	18		00		00
19	Enter your Montana subtractions from Form 2, Schedule II, line 35.....	19		00		00
20	Enter your net operating losses from Form 2, Schedule II, line 27 ...	20		00		00
21	Subtract line 20 from line 19.....	21		00		00
22	Add lines 17 and 18, and subtract line 21. This is your total income from all sources. ...	22		00		00
23	Divide the amount on line 16 by the amount on line 22 and enter the result here. Round to 6 decimal places and do not enter more than 1.000000	23	<input type="text"/>	.	<input type="text"/>	<input type="text"/>
24	Enter your resident tax after capital gains tax credit from Form 2, line 48	24		00		00
25	Multiply the tax on line 24 by the percentage on line 23 and enter the result here and on Form 2, line 48a. This is your nonresident, part-year resident tax after capital gains tax credit.	25		00		00

How do I determine what qualifies as my Montana source income when I am a nonresident of Montana?

In general, as a nonresident of Montana, your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property located in Montana, and income that you receive from business conducted in Montana.

How do I determine my Montana source income when I am a part-year resident of Montana?

As a part-year resident, you are considered a resident for part of the year and a nonresident for the other part of the year.

In general, for the part of the year that you are a nonresident, your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property that is located in Montana, and income that you receive from business conducted in Montana.

For the part of the year that you are a resident, all of your income that you receive, no matter where you earn it, is Montana source income.

Where can I find additional information on what is included in my Montana source income?

For additional information and a line-by-line description of what Montana source income is, refer to Form 2, Schedule IV instructions beginning on page 27.



SSN input boxes

Schedule V – Montana Tax Credits

Enter your Montana tax credits on the corresponding line.

File Schedule V with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

Nonrefundable credits that are single-year credits and HAVE NO carryover provision

Table with 8 rows for nonrefundable credits (1-8) and columns for description, amount, and carryover.

Nonrefundable credits that HAVE a carryover provision

Table with 20 rows for nonrefundable credits with carryover (9-23) and columns for description, amount, and carryover.

Refundable credits

Table with 7 rows for refundable credits (24-30) and columns for description, amount, and carryover.

Montana Tax Credits

We have listed the 27 Montana tax credits available to you under three categories. With the exception of the capital gains tax credit, which you must apply before any other credit, you are not required to apply any of these 27 tax credits against your income tax liability in any particular order. For more information about these tax credits, please see the instructions on page 31.



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Schedule VI – Credit for an Income Tax Liability Paid to Another State or Country

Indicate residency status from Form 2, line 5 Full-year Part-year

File Schedule VI with your Montana Form 2.

Column A (for single, joint, separate, or head of household)

Column B (for spouse when filing separately using filing status 3a)

1	Enter your income sourced and taxable to another state or country that is included in Montana adjusted gross income. If a full year resident, this is the amount included in the total on Form 2, line 41. If a part-year resident, this is the amount included in the total on Schedule IV, line 16.....	00	00
2	Enter all income sourced and taxable to the other state or country. This includes the income from line 1 plus all income exempt from Montana income tax (e.g. certain tips) sourced and taxable in the other state or country. Indicate state's abbreviation. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	00	00
3	Enter your income sourced and taxable to Montana. If a full year resident, enter the amount from Form 2, line 41. If a part-year resident, enter the amount from Schedule IV, line 16.....	00	00
4	Enter your total income tax liability paid to the other state or country	00	00
5	Enter your Montana tax liability. If a full year resident, enter the amount from Form 2, line 48. If a part-year resident, enter the amount from Form 2, line 48a	00	00
6	Divide line 1 by line 2. Enter the percentage here, but not more than 100%	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %
7	Multiply line 4 by line 6 and enter the result here	00	00
8	Divide line 1 by line 3. Enter the percentage here, but not more than 100%	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %
9	Multiply line 5 by line 8 and enter the result here	00	00
10	Enter here and on Form 2, Schedule V, line 1 the smaller of the amounts reported on lines 4, 7 or 9 above. This is your credit for an income tax paid to another state or country.	00	00

- You are not entitled to a Montana tax credit for taxes paid to a foreign country to the extent you claimed these taxes as a foreign tax credit on your federal income tax return.
- If you claim this credit for an income tax paid by your S corporation or partnership, see the instructions for Form 2, Schedule V, line 1 on page 31.
- Your credit is limited to a tax liability paid on income that is also taxed by Montana.
- Your income tax paid includes your share of any excise or franchise taxes paid by your S corporation or partnership if they are imposed on the entity itself and measured by the entity's net income.
- This is a nonrefundable credit and cannot reduce your Montana tax liability below zero.
- This is a nonrefundable single-year credit. No unused credit amount can be carried forward.
- You will need to complete a separate Schedule VI for each state or country to which you have paid an income tax liability. You cannot combine payments on one schedule.
- If you are a part-year resident, you will need to allocate your income on Form 2, Schedule IV before completing Form 2, Schedule VI.

Please note: Beginning with the 2014 tax year, the credit calculation previously made on Schedule VII is now made on Schedule VI.



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Schedule VIII – Reporting of Special Transactions
File Schedule VIII with your Montana Form 2.

Mark "Yes" if you filed any of the following forms with the Internal Revenue Service.

Complete Schedule VIII only if you and/or your spouse filed any of the federal income tax forms described below. Mark the appropriate box indicating which form(s) you filed with the Internal Revenue Service for this tax year. If your answer is "Yes" to one or more of these forms, you will need to include a complete copy of your federal income tax return Form 1040.

1	I filed federal Form 8824 – Like-Kind Exchanges with the Internal Revenue Service.....	1	Yes	
	NOTE: Mark "Yes" if your like-kind exchange includes Montana property. Nonresidents do not have to report a like-kind exchange if the properties involved do not include Montana property. Form 8824 is used to report each exchange of business or investment property for property of a like kind.			
2	I filed federal Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships with the Internal Revenue Service.....	2	Yes	
	Form 8865 is used to report the information required under 26 USC 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interest).			
3	I filed federal Form 8886 – Reportable Transaction Disclosure Statement with the Internal Revenue Service	3	Yes	
	Form 8886 is used to disclose information for each reportable transaction in which you participated.			

