

Who Must File

(Residents, Part-Year Residents and Nonresidents)

Refer to the table below to see if you are required to file.

Marital & Filing Status	Age as of December 31, 2001	You must file if your Federal gross income was:
Single, Head of Household Married Filing Separate	Under 65	\$3,230 or more
	65 or older	\$4,955 or more
Married Filing a Joint Return	Both under 65	\$6,460 or more
	One spouse 65 or older.....	\$8,185 or more
	Both spouses 65 or older..	\$9,910 or more

Increase federal gross income by \$1,723 if eligible for the blind exemption.

Residents of Montana (Full-Year)

You are taxed on all income earned in 2001—regardless of where you earned it. You are a Montana resident if you live in Montana or if you maintain a permanent home in Montana. You do not lose your residency when you leave the state temporarily. You lose your Montana residency only when you establish permanent residence outside of Montana with no intention of returning.

A person who claims Montana residency for any one purpose is considered a resident for all other purposes. For example, persons claiming residency for the purpose of obtaining resident hunting licenses or in-state tuition will be considered residents for income tax purposes.

You must file a 2001 Montana individual income tax return if you meet the minimum filing requirements. If you are generating a Montana net operating loss or have carryovers, you must file even if you do not meet the minimum filing requirement in order to perfect the losses.

Where's My Refund?

Taxpayers expecting refunds from current or back year returns will be able to check the status of those refunds by calling (406) 444-9840. This is a 24 hour-a-day service, accessible from both touch tone and rotary dial telephones.

When calling to inquire about a refund you will need to provide the following information:

- The social security number corresponding to the first name shown on the return.
 - The amount of the refund requested as shown on the return.
- The status of a refund will only be available if the tax return has been added to the department's computer system.

Other Filing Information

Generally the Montana statute of limitations is five years. Normally records should be kept during this time. Records for basis of property and carryforwards may need to be kept longer.

➤ **Statute of Limitations** - If you had a filing requirement, but did not file a return, there is no statute of limitation preventing the assessment of tax, penalties and interest. However, statutes of limitation do not allow for the payment of refunds if the delinquent return is filed more than five years after the due date of the return.

➤ **Deceased Taxpayers and Fiduciaries** - If you're responsible for the financial affairs of a deceased person, you must file a return for the deceased if his/her income prior to death exceeds the minimum filing requirements. If the deceased taxpayer was married, a joint return can be filed. The return would include the income of the deceased spouse from the beginning of the year to the date of death and the income of the surviving spouse for the entire tax year. A Montana Fiduciary Return (Form FID-3) must be filed for the deceased person if income is received after the date of death for the balance of the estate year. This return would include income received from the date of death for the balance of the estate tax year. An estate or trust cannot be filed on Form 2.

➤ **Injured Spouse Claim** - You are an injured spouse if you file a joint return and all or part of your share of the overpayment was, or is expected to be, applied against your spouse's past child support debt. The best way to avoid the need to file an injured spouse claim is for married taxpayers to file separately on separate forms. If you have received a Letter of Offset on your tax refund from the department, please follow the letter's instructions to submit a written statement for the injured spouse claim or a copy of the federal Form 8379 for injured spouses. Do not submit an amended return. Please contact the department for additional assistance.

➤ **Montana and North Dakota Reciprocal Agreement**
Montana residents whose only North Dakota income is wages don't have to pay North Dakota income tax. North Dakota requires that you file an information return (Form NW-R). You can obtain Form NW-R from: **Office of State Tax Commissioner, State Capitol, Bismarck, North Dakota 58505.**

North Dakota residents who had Montana state income tax withheld on income earned in Montana, can get a refund under the Montana-North Dakota Reciprocal Agreement. File a Montana income tax return (Form 2) with Montana NR-1 affidavit and a copy of your North Dakota return. You may obtain Form 2 and Form NR-1 from the Montana Department of Revenue.

➤ **Electronic Filing** - Montana participates in the Federal/State Electronic Filing Program. You can electronically file your Montana income tax return with the Department of Revenue in conjunction with the electronic filing of your federal return. You will have the option of directly depositing your refund into your bank account or receiving a check in the mail.

➤ **S Corporation Election** - If you are a shareholder in a Montana corporation which has elected Federal S Corporation status, you are generally treated as a small business corporation for Montana income tax purposes. Shareholders must include the net income or loss in Montana adjusted gross income.

➤ **Amended Returns** - If you made an error or want to change your original filing, file an amended return on Montana Form 2X. You can only receive a refund on an amended return if the amended return is filed within 5 years from the due date of the original return. The filing of an amended return will not reduce the penalties assessed on your original return.

If the federal government changes a taxpayer's federal taxable income the taxpayer is required to file an amended Montana income tax return. The amended return must identify the federal adjustments and must recalculate Montana tax for the year adjusted. Taxpayers must file the Montana amended return within 90 days of receiving the Internal Revenue Service's notification of the corrections made to the federal return.

➤ **Tax Preparer Contact** - To streamline resolving questions related to your return, we have included an area for you to authorize the department to contact your preparer. Your initials in the box(es) on the back of Form 2 and Form 2S significantly speed the processing of your return. If you are filing jointly or married filing separate on the same form, both spouses must initial the boxes. If you initial these boxes, the department may contact the preparer or you for additional information. You will however, continue to receive notification of any formal adjustments made to your tax liability. The department implemented this procedure at the request of the Montanans' for Improving Tax Administration (MITA).

When to File

Your return for calendar year 2001 must be postmarked by midnight April 15, 2002. If you operate on a fiscal year, your return must be postmarked by midnight the 15th day of the fourth month following the close of your fiscal year.

Where to File

For Return Without Payments Including Refunds—Mail to:
Dept. of Revenue
PO Box 6577
Helena, MT 59604-6577

For Returns With Payments—Mail to:
Dept. of Revenue
PO Box 6308
Helena, MT 59604-6308