

Schedule II - Montana Subtractions from Federal Adjusted Gross Income Enter on the corresponding line your subtractions from federal adjusted gross income. 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) ▼
1	Exempt interest and dividends from federal bonds, notes, and obligations.	▶	1	1
2	Exempt tribal income. Attach Montana Form IND.	▶	2	2
3	Exempt unemployment compensation.	▶	3	3
4	Exempt workers' compensation benefits.	▶	4	4
5	Exempt capital gains and dividends from small business investment companies.	▶	5	5
6	State income tax refunds included in Montana Form 2, line 10.	▶	6	6
7	Recoveries of amounts deducted in earlier years that did not reduce Montana income.	▶	7	7
8	Exempt military salary of residents on active duty.	▶	8	8
9	Exempt income of nonresident military servicepersons and spouses.	▶	9	9
10	Exempt life-insurance premiums reimbursement for National Guard and Reservist.	▶	10	10
11	Partial pension and annuity income exemption. Report Tier II Railroad Retirement on line 23 below.	▶	11	11
12	Partial interest exemption for taxpayers 65 and older.	▶	12	12
13	Partial retirement disability income exemption for taxpayers under age 65. Attach Form DS-1.	▶	13	13
14	Exemption for certain taxed tips and gratuities.	▶	14	14
15	Exemption for certain income of child taxed to parent.	▶	15	15
16	Exemption for certain health insurance premiums taxed to employee.	▶	16	16
17	Exemption for student loan repayments taxed to health care professional.	▶	17	17
18	Exempt medical care savings account deposits and earnings. Attach Form MSA.	▶	18	18
19	Exempt first-time home buyer savings account deposits and earnings. Attach Form FTB.	▶	19	19
20	Exempt family education savings account deposits and earnings.	▶	20	20
21	Exempt farm and ranch risk management account deposits. Attach Form FRM.	▶	21	21
22	Subtraction to federal taxable social security/Tier I Railroad Retirement reported on Form 2, line 20b.	▶	22	22
23	Subtraction for federal taxable Tier II Railroad Retirement benefits reported on Form 2, line 16b.	▶	23	23
24	Passive loss carryover exclusion.	▶	24	24
25	Capital loss adjustment.	▶	25	25
26	Subtraction of sole proprietor for allocation of compensation to spouse.	▶	26	26
27	Montana net operating loss carryover from Montana Form NOL, Schedule B.	▶	27	27
28	40% capital gain exclusion for pre-1987 installment sales.	▶	28	28
29	Subtraction for business related expenses for purchasing recycled material.	▶	29	29
30	Subtraction for sales of land to beginning farmers.	▶	30	30
31	Subtraction for larger federal estate and trust taxable distribution.	▶	31	31
32	Subtraction for wage deduction reduced by federal targeted jobs credit.	▶	32	32
33	Subtraction for certain gains recognized by liquidating corporation.	▶	33	33
34	Other subtractions. Specify: ▶ <input type="text"/>	▶	34	34
35	Add lines 1 through 34, enter total here and on Form 2, line 39. This is your total Montana subtractions from federal adjusted gross income.	▶	35	35