

DO NOT USE THIS SPACE

2001 Elderly Homeowner/Renter Credit

File on or before April 15, 2002, or with your Form 2 or 2S

Part I - If the answer to any of the questions below is no, you are not eligible for the credit. Do not complete this schedule.

- | | |
|--|---|
| <p>➤ Were you age 62 or older as of December 31, 2001? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>➤ Did you reside in this state for 9 months or more during 2001? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>➤ Did you occupy Montana residence(s) as an owner or renter a total of 6 months or more during 2001? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>➤ Was your total gross household income <u>less</u> than \$45,000 in 2001? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |
|--|---|

Part II

Last Name	Your First Name & Middle Initial	Your Social Security No.
Spouse's Last Name if Different	Spouse's First Name & Middle Initial	Spouse's Social Security No.
Mailing Address	City	State
		Zip Code+4

If you are filing this form in behalf of a deceased taxpayer, provide the date of death. _____



Please follow instructions on the back when completing this form

**Return Will Not be Process Without a Copy of Your 2001 Property Tax Bill or Signed Rent Receipt(s)
Please Attach These to This Form**

Part III - List taxable and nontaxable income received from all members of the household.

1. Enter total income received from wages, fees, bonuses, all capital gains, ordinary income, dividends and interest **Do not include any losses**1. _____
2. Enter total income for business, partnerships, rents, royalties, etc. **Do not include any losses**2. _____
3. Enter any payments and interest on federal, state, county and municipal bonds 3. _____
4. Enter alimony, public assistance, unemployment, tax refunds, state, federal and 2EC (etc.) 4. _____
5. Enter all pensions, annuities, and IRA's including Railroad Retirement, PERS, Veteran's Disability, All social security income except social security paid directly to a nursing home 5. _____
6. Total income (add lines 1 thru 5) If greater than \$45,000, stop here, you do not qualify **Total** 6. _____
7. Standard exclusion..... 7. (6,300) _____
8. Total household income. Subtract line 7 from line 6 (if less than zero enter zero) **Total** 8. _____

Part IV - Homeowners- Complete line 9 (**Renters**—use line 10)

9. Enter all 2001 property taxes, fees, special assessments, and SIDs billed on residence and land **not to exceed 1 acre**. See instructions. 9. _____
- Renter**
10. Enter rent paid on residence in 2001 (attach signed rent receipts).....10. _____
 11. Rent equivalent—Multiply line 10 by 15% (.15)11. _____
 12. Total of allowable property tax and/or allowable rents paid
Line 9 and/or line 11 12. _____
 13. Total household income from line 8 13. _____
 14. Enter multiplier figure from table on reverse side14. _____
 15. Net allowable household income—Multiply line 13 by line 14 15. _____
 16. Subtract line 15 from line 12. If zero or less, you cannot take the credit; do not file this form.....16. _____
 17. First, enter the amount from line 16 or \$1,000, whichever is smaller (the maximum credit is \$1,000).....17. _____
 - Then, if line 6 is \$35,000 or less, enter the amount from line 17 on line 19 (skip line 18).
 - If line 6 is more than \$35,000, complete lines 18 and 19 below.
 18. Enter the percentage amount from the table below that corresponds to the amount reported on line 6..... 18. _____

the amount on Line 6 is between:	Your allowable credit percentage is:
\$35,000 - \$37,500	40% (.40)
\$37,501 - \$40,000	30% (.30)
\$40,001 - \$42,500	20% (.20)
\$42,501 - \$44,999	10% (.10)
\$45,000 - or more	0%
 19. Multiply the amount on line 17 by the percentage from line 18. This is your allowable Homeowner/Renter Credit.....19. _____
 - If you file a Montana income tax return using Form 2 (long form), enter the amount from line 19 on line 56 of Form 2.
 - If you file a Montana income tax return using form 2S (short form), enter the amount from line 19 on line 33 of Form 2S.
 - If you are not required to file either Form 2 or Form 2S, mail this form to: Montana Department of Revenue, PO Box 6577, Helena MT 59604-6577

Refunds will be issued through the Department of Revenue

I Declare Under Penalty of False Swearing That The Information in This Return and Attachment is True, Correct and Complete.

Your Signature

Date

Telephone Number

Spouse's Signature

Date

Elderly Homeowner or Renter Credit

Instructions (principal residence only)

The elderly homeowner or renter credit is for your use if you're 62 years old or older. A credit for your property taxes assessed or rent paid may be used against your state income tax liability or as a direct refund even if you're not required to file a Montana state tax return.

Please read the instructions and complete the form to see if you qualify for the credit.

Additional help is available by calling (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. ☎

Part I - Answer all questions. If the answer to any question is "No", you are not eligible for the credit.

Part III - Lines 1-6. Household Income. On lines 1 through 5 enter income from all sources received by you and any other persons with whom you share a household. Include taxable and nontaxable income. Do not include any losses on lines 1 through 5. If income exceeds \$45,000, do not go any further. You are not entitled to the refund.

Income for purposes of the refund means federal adjusted gross income, without regards to loss, plus all nontaxable income including but not limited to:

- a. Amount of any pension or annuity, including railroad retirement and veteran's disability benefits
- b. Amount of capital gains excluded from adjusted gross income
- c. Alimony and support money
- d. Nontaxable strike benefits
- e. Cash public assistance and relief
- f. Payments and interest on federal, state, county and municipal bonds
- g. All payments received under federal social security except social security paid to a nursing home.
- h. For above items (a-g), income is reduced by taxpayer's basis.

Line 6 - Enter total income.

Line 7 - Standard Exclusion.

Line 8 - Subtract the amount on line 7 from line 6 and enter balance. (If less than zero enter zero)

Trusts: 2001 property taxes billed on a residence held in a revocable trust which are paid by an eligible claimant are allowable. The eligible claimant and their spouse must be the only trustees of the revocable trust.

If the property occupied by an eligible claimant is in a name other than the claimant, the property taxes billed are allowable only as rent. This includes irrevocable or family trusts.

Qualifying individuals who place their residence in a life estate and who pay the property tax may claim the taxes when calculating this credit.

Part IV- Homeowners

Line 9 - Include a copy of your property tax bill or a letter from your county treasurer showing the total property taxes billed and assessed for 2001 on your principle residence.

The property taxes allowed on line 9 on the 2001 2EC are the total taxes billed on your November 2001 property tax statement on your residence and surrounding land (not to exceed one acre). This amount includes all special assessments and fees. The 2001 2EC is based on 2001 property taxes billed, not the property taxes actually paid.

Land surrounding the eligible residence for the Elderly Homeowner/Renter Credit is the one acre homesite associated with the primary residence.

If the one acre homesite is not separately identified on the tax bill from other land, and the ownership is less than 20 acres, the allowable deduction shall be calculated as follows: total amount of property tax billed on the land, divided by the total acreage to equal the allowable amount of property tax used in the credit calculation.

If the land is classified as forest land, agricultural land or non-qualifying agricultural land and the one acre homesite is not separately identified on the tax bill, you must contact your local county assessor's office for the computation.

Skip lines 10 and 11 and enter your allowable tax from line 9 on line 12.

Renters

Signed rent receipts must be attached.

Renters of county or municipal housing authority dwellings are eligible to apply.

When a taxpayer lives in a health care, long-term care, personal care, or a residential care facility, the rent allowed is the actual out of pocket rent paid. If an adequate breakdown between rent and amenities paid is not provided, the rent allowed will be limited to \$20 per day.

Line 10 - Enter the amount of rent you paid in 2001. Signed rent receipts must be attached.

Line 11 - Multiply line 10 by 15% (.15). Enter the result here and on line 12.

Homeowners and Renters

If you own your home and rent the land or rent your home and own the land:

Enter 2001 taxes billed on line 9. Enter your rent paid on line 10. Add lines 9 and 11 and enter total on line 12.

Line 13 - Enter your household income from line 8.

Line 14 - From the table below enter your multiplier based on your household income. (example: household income - \$8,500, multiplier - .039.)

Line 15 - Multiply line 13 by line 14 and enter the result.

Line 16 - Subtract line 15 from line 12. (not less than zero)

Line 17- First, enter the amount from line 16 or \$1,000, whichever is smaller. Then follow instructions as applicable to income shown on line 6.

Line 18 - Enter the applicable percentage from the table. If total income from line 6 is between \$35,000 and \$45,000, the Elderly Homeowner/Renter Refund/Credit must be prorated. If line 6 income is more than \$45,000, no credit is allowed.

Line 19 - This is the allowable Elderly Homeowner/Renter Refund/Credit. Mail this form (and tax return if required to file) to the address shown on the front of Form 2EC.

Household Income Reduction Table

If your Household Income on line 8 is:		Your multiplier for line 14 is:
At least	But not more than	
\$ 0	\$ 1,999	0
2,000	2,999	.006
3,000	3,999	.016
4,000	4,999	.024
5,000	5,999	.028
6,000	6,999	.032
7,000	7,999	.035
8,000	8,999	.039
9,000	9,999	.042
10,000	10,999	.045
11,000	11,999	.048
12,000 & over		.050