



Montana Farm and Ranch Risk Management Account

Annual Reporting Information

15-30-601, MCA

See instructions on back

Name (as shown on Form 2)	SSN (as shown on Form 2)
---------------------------	--------------------------

Account Information

Grantor name _____ FEIN or SSN _____

Trustee:

Name _____

Address _____

Account Number _____

Deposits

Deposits are considered made for the specific tax year if made during the tax year or designated for the specific tax year and made within 3½ months after the close of the tax year.

Date	Deposit	Date	Deposit
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Deposits			_____

Deductions

1. Net income attributable to agricultural business 1. _____
2. Enter 20% (.20) of line 1 2. _____
3. Enter the total amount of deposits from above 3. _____
4. Enter the lesser of line 2 or line 3, but not more than \$20,000.
Enter this amount on Form 2, line 26. 4. _____

Distributions

Date	Total Amount	Taxable Amount	NonTaxable Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Distributions		_____	_____

Attach this form to your tax return. If you electronically file, keep this form for your records (do not send to the Department of Revenue).

Instructions

An individual or a family farm corporation who has an eligible agricultural business may establish a Montana farm and ranch risk management account and exclude up to \$20,000 annually from adjusted gross income deposits made into this account.

To qualify for this deduction the “eligible agricultural business” must be for the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes. Eligible agricultural business also means the raising of domestic animals and wildlife in domestication or a captive environment along with silviculture.

Account Information

- Grantor name and identification number: Provide the legal name and identification number of the grantor of the farm and ranch risk management trust created.
- Trustee: Provide the name and address of the trustee.
- Account number: Provide the account number assigned to the trust.

Deposits

- List all deposits and dates of each deposit made for the specific tax year.
- Deposits for a specific tax year can be made during the tax year or within 3½ months after the close of the tax year.
- The trustee can not accept any deposits for a specific year in excess of the allowable deduction.
- Assets of the trust must be cash or obligations that adequately state interest and pay interest at least annually.
- Assets of the trust can not be commingled with other property except in a common trust fund or common investment fund.

Deductions

- Net income attributable to agricultural business is the total net farm income reported on Federal Schedule F; net farm rental income reported on Federal Schedule 4835, or the Federal Form 4797 gain from the sale of draft, breeding, dairy or sporting livestock.
- If the deduction is for a family farm corporation the amount of net income attributable to agricultural business is allocated based on your distributive share of the income from the entity.
- There is no carryover provisions allowed. The deduction cannot be greater than 20% of your net income attributable to agricultural business.

Distributions

- Deposits must be distributed within five years.
- Deposits distributed within six months of the date of the deposit are income in the year the associated deduction was taken. You may need to file an amended return to report this distribution.
- Amounts not distributed within the five-year eligibility period are considered distributed on the last day of the fifth year the deposit is made. This distribution is taxable income and is assessed a penalty of 10% of the tax due on this amount.
- If at anytime within the five-year period you become disqualified because you are not engaged in an eligible agricultural business, the balance in the trust account is considered distributed and included in income.