Column B, Page 2 – Social Security Number or Federal Employer Identification Number. Enter the social security number or federal employer identification number of the participating partner as it appears on Form PR-1.

Column C, Page 2 – Federal Income from Entity. Enter the participating partner's share of the partnership's income from all sources as determined for federal income tax purposes.

Column D, Page 2 – Standard Deduction. Each eligible participating partner is allowed a standard deduction equal to 20% of Column C, but not less than \$1,480 or more than \$3,330.

Column E, Page 2 – Exemption. Each participating partner is allowed one exemption of \$1,780.

Column F, Page 2 – Taxable Income. Subtract columns D and E from column C and enter the result in column F.

Column H, Page 2 – Montana Total Income. Enter the participating partner's share of the partnerships Montana source income. The share of Montana source income is the aggregate of partner's share of income, gain, losses, or deductions or other expenses of the partnership, which are deductible only by the partnership and which are attributable to Montana.

Column I, Page 2 – Ratio. Divide Montana total income in column H by the federal income from the partnership reported in column C. Carry to four decimal places. Do not enter more than 1.000.

Column J, Page 2 – Montana Tax Liability. Multiply amount in Column G, tax from tax table, by the ratio in Column I. This is the participant's Montana composite tax liability.

Lines 1 through 7, Page 1 – Enter column totals from page 2 of Form PT-CR1.

Payments and Credits

Line 8, Page 1 – Payment of 2003 estimated tax, amounts credited from previous year. Enter your total Montana estimated tax payments for 2003. Include overpayments from 2002 that were credited to 2003.

Line 9, Page 1 – Payment made with extension. Enter your total Montana extension tax payment for 2003.

Line 10, Page 1 – Total payments. Enter the sum of lines 8 and 9.

Refund or Balance Due

Line 11, Page 1 – Amount Overpaid. If line 10 is larger than line 7, enter the difference. You can choose to have all or part of this amount applied to your 2004 estimated tax by entering the amount on line 12, or you can have all or part of this amount refunded to you by entering the amount in line 13. Only overpayments of more than \$1 will be refunded.

Line 12, Page 1 – Enter the amount from line 11 that you want applied to estimated tax for year 2004.

Line 13, Page 1 – Enter the amount from line 11 that you want refunded to you.

Line 14, Page 1 – Tax Due. If line 7 is larger than line 10, enter the difference. This is your composite tax.

Line 15, Page 1 – If you were required to make estimated tax payments and did not remit the required amounts, you must pay an underpayment penalty. Complete worksheet I below to calculate the penalty.

Line 16, Page 1 – If you file your composite return late, you may have a late file penalty of \$50 or the amount of tax owing, whichever is smaller. There is no late file penalty if you are receiving a refund.

Line 17, Page 1 – If you file your composite return late or do not pay by the due date of the partnership's return, you must pay a late pay penalty. The penalty is 1.5% per month or fraction of month on the unpaid tax. The penalty may not exceed 18% of the tax due.

Line 18, Page 1 – Interest will be assessed on any tax not paid by the due date of the partnership's return. Interest is 12% per year accrued at 1% per month or fraction of a month.

Worksheet I - Calculation of Underpayment Penalty for Failure to Make Estimated Payments

In 2003 you must have paid through estimated installments the smaller of 1) 90% of your current year's tax liability after credits, or 2) an amount equal to 100% of your previous year's total tax liability. Payments made with extensions are not considered estimated payments. If you do not meet this requirement, you may be subject to an underpayment penalty.

Short Method

1. 2.	Enter your 2003 composite tax from line 7 on Form PT-CR1. Enter 90% of line 1 above.	 . <u>Total underpayment for the year</u> . Subtr line 7 from line 6. If zero or less, stop he You do not owe the underpayment pena	re.
		 . Multiply line 8 by .07980 and enter the re	sult
3.	Enter your total amount credited from previous year reported on PT-CR1, line 8.	 . If the amount on line 8 was paid on or after the due date of the information retenter zero. If the amount on line 8 was	,
4.	Subtract line 3 from line 1. If the result is \$500 or less, do not complete the rest of the form. You do not owe the underpayment penalty.	 before the due date of the information reference of days paid before the due date of the information return x .0003288.	
5.	Enter your 2002 composite tax.	 . Underpayment interest penalty. Subtraction line 10 from line 9. Enter the results he	
6.	Enter the smaller of line 2 or line 5.	 on Form PT-CR1, line 15.	
7.	Enter the amount from line 3 plus any estimated payments made.		

REV	2003 Montana Partne	rshin Informati	on Return	Ρ
	A copy of your Federal Form 106			MONTANA PR-1
For calendar yea	ar 2003 or tax year beginning	, 2003; ending	, 20	Rev. 8-03
Check if Applicable: Initial Return	Name		Check box if this is a change of address.	FEIN: Federal Business Code:
Final Return Multistate	Address			
Partnership Amended	City	State	Zip + 4	Date Registered in Montana:
Reporting Metho	od: Cash Accrual	Other (please specify)		
Are you filing the	forms below with your Montana Partners	ship Return, PR-1?		
Form PT-NRA - N	Montana Composite Income Tax Return Montana Nonresident Income Tax Agree Nonresident Individual Withholding	Yes No		
1 Ordinany incor	no (loca) from trade or husiness activitie	a (Earm 1065, Sabadula K I	ing 1)	1
2 Net income (Ic	ne (loss) from trade or business activities oss) from rental real estate activities (Fo	rm 1065, Schedule K)		2
	me from other rental activities (Form 100			<i>z</i> .
	from other rental activities (Form 1065, \$			
Net incom	e (loss) from other rental activities (subtr	act line 3b from line 3a) .		3.
4. Portfolio incom	ne (loss): (Form 1065, Schedule K)			
	come			
	lividends			
	come · · · · · · · · · · · · · · · · · · ·			
	term capital gain/(loss) (attach Federal S			
	erm capital gain/(loss) (attach Federal So			
	folio income (loss)			4.
	ayments to partners (Form 1065, Schedu		-	5.
) under section 1231 (other than due to c			6.
•	(loss)	• / (· · · ·	7.
	rough 7 · · · · · · · · · · · · · · · ·			8.
	ntributions (attach schedule)			9.
10. Section 179 e	xpense deduction (attach Form 4562).			10.
11. Deductions re	lated to portfolio income/(loss) (you mus	t itemize)		11.
	ons (attach schedule)			12.
	nrough 12		1	13.
	rest and dividends not taxable under the			
	enue Code (non-Montana)			
	er additions (attach detailed breakdown)			
	ontana additions to income			14.
	Interest on U.S. Government Obligation			14.
	Deduction for purchasing recycled materi			
	Other deductions (attach detailed break			
		· · · · · · · · · · · · · · · · ·		5.
	le to partners (line 8 - line 13 + line 14 -			6.
	payers: Line 16 X% from			7.
	payers: Income allocated directly to Mon	tana	<u>····</u> 1	8.
Payments			F	+
	eturn late file penalty (see instructions)		Ľ	9.
I ICh	eck here, if you do not need the Montana	rannership information Ret	un and instructions sent to	u you next year.

Form PR-1 - 2003	FEIN:		Page 2
Schedule K Apportionment Factors for Multistate Taxpayers			
	A. Everywhere	B. Montana	C. Factor
1. Property Factor: Use average value for real and	tangible personal property		(B divided by A = C)
Land			
Buildings			
Machinery and equipmen	t · · · · ·		
Furniture and fixtures			
Inventories · · · · · · ·			
Supplies and other			
Rents multiplied by 8		<u> </u>	%
2. Payroll Factor: Compensation of officers			
Salaries and wages			
Payroll included in:			
Cost of goods sold			
Repairs			
			%
3. Sales (Gross Receipts) Facto Gross sales, less returns	r:		
Other (attach schedule)			
Total Sales	[]		%
	, and 3) line 4; if less than 3 factors exist, see instruc		
(Enter here and on line 16, pag			%

Declaration

The return must be signed by a partner of the partnership. I, the undersigned partner of the partnership for which this return is made, hereby declare that this return, including all accompanying schedules and statements, is to the best of my knowledge and belief, a true, correct and complete return, made in good faith for the income period stated, pursuant to the Montana statutes and regulations.

Signature of Partner	Date	Name of Person or Firm Preparing Return	Date
Title	Telephone Number	Address Zip Code	
		Telephone Number	

Check here to authorize the Montana Department of Revenue to discuss your return with the individual/preparer listed above.

Montana Partnership Information FEIN#_

Complete columns d, e, and f for a nonresident individual, foreign C. corporation as defined in the instructions for Montana Form PR-CR1, or a pass-through entity that itself has any partners, shareholders, members or other owners that is a nonresident individual, foreign C. corporation, or pass-through entity.

	a.	b.	С.	d.	e.	f.
Names and Addresses of Partners	SSN or FEIN	Owner- ship %	Total Montana	Check if included in	Check if PT-NRA	Check if PT-WH
Names and Addresses of Parmers			source income	composite return	is signed	is filed
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				

If there are more than 12 partners, photocopy and attach additional pages as needed. A computer printout in the same format is acceptable.



2003 Montana Composite Income Tax Return

С
MONTANA
PT-CR1
Rev. 8-03

For calendar yea	ar 2003 or tax year beginning	, 2003; ending	, 20	Rev. 8-03
Check if Applicable:	Entity Name			FEIN:
Initial Return- Einal Return Amended				Federal Business Code:
Return	City	State	Zip + 4	
Entity: S. Information Retu	corporation	LLC LLP Dis CLT-4S) Partnership (PR-1)	sregarded Entit Disregarded Er	
 Standard ded Exemption (P Taxable incon 	uction (Page 2, Column D) age 2, Column E)	C)		1. 2. 3. 4. 5.
7. Montana total	tax (Page 2, Column J)			6. 7.
9. Payment mad	003 estimated tax, amounts cred	lited from previous year		8. 9. 10.
 12. Amount on lin 13. Enter the amount 	rger than line 7, enter the difference 11 to be applied to 2004 estimation on line 11 you want refunded	ate 12 d to you (Refunds more than \$1.00 will be issunce (If you owe, see instructions for this line.)	ued.) Refund =	
16. Late filing pen 17. Late payment 18. Interest 1% (.)	nalty	check with payment coupon, IT-Comp	· · · · · · · · · · · ·	15. 16. 17. 18. 19.
May the Depa		preparer Irn with the tax preparer shown above? the information in this return and attack		correct and complete.
Your Signatu	ire is Required	Date	Daytime Teleph	none Number

Form PT-CR1 must be signed and dated by the president, vice president, treasure, assistant treasure, chief accounting officer, general partner, LLC member or any other officer duly authorized to sign the return. Form PT-CR1 is not considered to be complete unless it is signed.

	Tax Table								
If Taxable Income is:			If Taxable Income is:						
Over	But not over	Multiply by	and Subtract =Tax	Over	But not over	Multiply by ar	d Subtract = Tax	x	
\$ 0	\$ 2,200	X 2 %	\$ 0	\$17,8	00 \$22,200	X 7 %	\$ 466		
\$ 2,200	\$ 4,400	X 3 %	\$ 22	\$22,2	00 \$31,100	X 8 %	\$ 688		
\$ 4,400	\$ 8,900	X 4 %	\$ 66	\$31,1	00 \$44,500	X 9 %	\$ 999		
\$ 8,900	\$13,300	X 5 %	\$155	\$44,5	00 \$77,800	X10 %	\$ 1,444		
\$13,300	\$17,800	X 6 %	\$288	\$77,8	300	X11 %	\$ 2,222		
Example = taxable income \$2,400 x 3% (.03) = \$72 subtract \$22 = \$50 tax									

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.

Montana Composite Income Tax Return

Name of Entity								Federal	Employer Identifie	cation Number
Number of nonresident inc	lividuals, foreign C	c. corporations or	pass-through enti	ities participating	in this filing.					
<u>Column A</u> Name and Address of Shareholder, Partner or Member	<u>Column B</u> Social Security Number	<u>Column C</u> Federal Income from Entity	<u>Column D</u> Standard Deduction	<u>Column E</u> Exemption \$1,780	<u>Column F</u> Taxable Income	<u>Column G</u> Tax from Tax Table	<u>Colur</u> Monta Total Incon	ana	<u>Column I</u> Ratio	<u>Column J</u> Montana Tax Liability
Enter total of columns here and on Page 1 of Form PT-CR1										

 $\frac{1}{2}$

If there are more than six qualifying nonresident individuals, foreign C. corporations or pass-through entities participating in filing of the composite return, photocopy and attach additional pages as needed. A computer printout in the same format is acceptable.



12

Nonresident Individual Income Tax Estimated Payments Transmittal Document

						Federal Employer Identification Number	
Number of PT-WH's atta	ached						
Name	Address	City, State, Zip	SSN or FEIN	Montana source from PT-WH, Lin	income e 1	Montana income tax withheld from Form PT-WH, Line 2	
Total							
accompanying form P	Declaration I, the undersigned officer of the corporation or partner of the partnership for which this transmittal document is made, hereby declare that this document, including all accompanying form PT-WH's, is to the best of my knowledge and belief a true, correct and complete return, made in good faith for the income period stated, pursuant to the Montana statutes and regulations.						
Signature of Officer	Date	Signati	ure of Preparer			Date	
Title	Phone	Addres	S				
						Zip Code	

Phone



Statement of Montana Income Tax Withheld for Nonresident Individual

Nonres Name	sident Individual's Name	e and Mailing Address	Entity's Name and Mailing Address Name Street or Other Mailing Address				
Street	or Other Mailing Address						
City	State	Zip Code	City	State	Zip Code		
Social	Security Number	Spouse's Social s	Spouse's Social Security Number		Federal Employer Identification Number		
sour	resident individual's share rce income reflected on the rmation tax return	e entity's	S. Corpor	ty (check only on ation D Partnersh	ership 🔲 Limited Liability Company		
2. Amo rem instr	ount of Montana income ta: itted (11% of the amount o ructions	x withheld and n line 1). See \$\$	Taxable year Beginning		and ending, 20		

To be filed in the absence of Form PT-NRA, a nonresident income tax agreement, or participation in a composite return. Nonresident individual - Attach a copy to the Montana Form 2. Entity - Attach a copy and payment to your information return and transmittal, Form PT-WHREM.

Instructions

Who Must File Form PT-WH

Every S. corporation, partnership, limited liability company, limited liability partnership, or disregarded entity must complete the Statement of Montana Income Tax Withholding for Nonresident Individual, Form PT-WH, for each nonresident individual partner, shareholder or member, who does not complete a Montana Nonresident Income Tax Agreement Form PT-NRA or elects to participate in the filing of a composite income tax return. Do not file Form PT-WH for partners, shareholders or members other than individuals.

Amount of Withholding

The amount withheld is 11% of the nonresident individual's share of Montana source income reflected on the entity's information return. The amount on line 1 entries from each Form PT-WH should equal the amount entered on the Montana Partnership Return of Income, Form PR1; or the Montana S. Corporation Income Tax Return, Form CLT-4S as each individual owner's total Montana source income.

Nonresident Individual

The nonresident individual taxpayer named on this Form PT-WH is required to file a Montana Individual Income Tax Return, Form 2, with the Montana Department of Revenue. The amount entered on line 2, Form PT-WH, will be allowed as a credit against the nonresident individual's Montana income tax liability and is claimed as a Montana estimated tax payment on Montana Form 2. Attach a copy of Form PT-WH to your Form 2 in the space otherwise provided for attaching Federal Form W-2.

When and Where to File

The Form PT-WH and remittance must be filed with the entity's Montana information tax return, Form CLT-4S, PR-1 or DER-1. Complete Form PT-WHREM transmittal document and attach Form PT-WH with your payment.

Payment

To assure the proper application of your payment remit a separate check with your transmittal document PT-WHREM. Include on the memo line of your check the form name PT-WHREM and the federal identification number of the partnership, S. corporation or disregarded entity making the payment. Do not attach Forms PT-WHREM and PT-WH to your information return (Forms CLT-4S, PR-1 or DER-1 or if filing a composite return, PT-CR1) but include the PT-WHREM and PT-WH in the mailing of your information return.



Montana Nonresident Individual Income Tax Agreement

	1
Entity's Name and Mailing Address Name	
Street or Other Mailing Address	_
City State Zip Co	ode
Federal Employer Identification Number	_
Entity information return year (check only one) Calendar year Fiscal year beginning month ending month	_
	Entity's Name and Mailing Address Name Street or Other Mailing Address City State Zip Comparison Federal Employer Identification Number Entity information return year (check only one) Calendar year Fiscal year Fiscal year

I declare that I am a nonresident of Montana and hereby agree that I will timely file a Montana individual income tax return, Form 2, and pay any income tax due; and I will include in my Montana adjusted gross income the portion of the above named entity's income attributable to my interest in the said entity for the current year in which this agreement is signed and all subsequent years that I am a partner, shareholder or member of said entity. This agreement shall be binding upon my heir's representatives, assigned successors, executors, and administrators.

Signature of nonresident, partner, shareholder or member Form PT-NRA is not valid unless signed and dated by the nonresident individual. Date

Instructions

This agreement is required to be attached to the entity's Montana information return only in the first year this agreement is signed. This signed agreement is binding on the nonresident partner, shareholder, or member for all subsequent years the nonresident partner, shareholder, or member maintains ownership in the entity and is in compliance with the terms of this agreement. The department has the authority to rescind this agreement due to noncompliance by the nonresident partner, shareholder or member and require the entity to either obtain a power of attorney from the nonresident partner, shareholder or member to participate in the filing of a composite return or remit to the department 11% of the nonresident individual share of Montana source income as reflected on the entity's information return.

Who may file. Any nonresident individual taxpayer who has Montana source income derived from an S. corporation, partnership, limited liability company, limited liability partnership, or disregarded entity may complete a Montana Nonresident Income Tax Agreement, Form PT-NRA, if the taxpayer was a nonresident of Montana during any part of the entity's tax year.

When and where to file. Form PT-NRA must be completed by the nonresident individual and delivered to the entity prior to the filing of the entity's Montana information return. The due date for the Montana information return for partnerships is the 15th day of the fourth month following the close of the taxable year. The due date for the Montana information return of an S. corporation is the 15th day of the third month following the close of the taxable year. The due date for the Montana information return of a disregarded entity is the due date of the individual or entity in which the income, gain, loss, deduction or credit is reported for federal income tax purposes.

If Form PT-NRA is filed. The nonresident individual who has filed the Form PT-NRA is required to timely file a Montana individual income tax return, Form 2. Such return must report and pay tax on the nonresident individual's share of the entity's Montana income attributable to the interest in the entity during the taxable year as well as any other Montana source income the nonresident individual has earned. A nonresident individual must report his or her total income, notwithstanding the source of the income and is entitled to full exemptions and deductions in arriving at Montana taxable income. The Montana tax liability is based on multiplying the ratio of Montana source income to total income from all sources. (See Montana Form 2 instruction booklet for further details).

If Form PT-NRA is not filed. If a Form PT-NRA is not filed with the entity's information return for new nonresident owners and the nonresident individual has not elected to participate in the filing of a composite return, the entity is required to remit 11% of the nonresident's share of the entity's income derived from or attributable to Montana sources. The withholding is to be remitted with the Statement of Montana Income Tax Withholding for Nonresident Individual, Form PT-WH, and the entity's Montana information return. When the nonresident files an individual income tax return Form 2, the remittance submitted by the entity on Form PT-WH is considered an estimated payment and is allowed as a credit against the nonresidents Montana income tax liability.

If the entity has filed Form PT-WH and withheld tax on all the Montana income attributable to the nonresident, this withholding is considered an estimated payment on the account of the nonresident individual and does not relieve the nonresident individual of the requirements to file a Montana individual income tax return.