

Second-Tier Pass-Through Entity Owner Statement

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Second-tier pass-through entity owner information (as shown on the second-tier owner's most recent federal			First-tier pass-through entity information (as shown on the first-tier entity's most recent federal return or K-1)			
Name			Name			
Street or other mailing address			Street or other mailing address			
City State Zip code			City	State Zip code		
Federal Employer Identification Number			Federal Employer Identification Number			
Second-Tier Pass-Through Entity Type S. Corporation Partnership Disregarded Entity			First-Tier Pass-Through Entity Type S. Corporation Partnership Disregarded Entity			
Information About Second-Tier Entity's Owners						
I. Please identify and give the status of each of the entity's owners (attach additional sheets if necessary)						
Name	Address	S	SN or FEIN	Status (see instructions on back fo	r codes)	
1						
2						
3						
4						
5						
6						
7						
8						
II. Please provide additional information about owners who are nonresident individuals, C. corporations not doing business in Montana, S. corporations, partnerships and disregarded entities (attach additional sheets if necessary)						
Name Method of notification about Montana source				irce income (see instructions on bac	ck)	
1						
2						
3						
4						
5						
6						
7						
8						
I, the undersigned, declare that I am authorized to make this statement on behalf of the second-tier pass-through entity and that the statement, including all accompanying attachments, is, to the best of my knowledge and belief, true, correct and complete.						
Signature	Title				ate	

PT-STM Instructions

What is the Purpose of the Second-Tier Pass-Through Entity Owner Statement?

The Second-Tier Pass-Through Entity Owner Statement identifies the owners of the second-tier pass-through entity.

An owner of a pass-through entity can itself be a pass-through entity, referred to as a second-tier pass-through entity. If this second-tier pass-through entity has an owner at any time during the year who is a:

- 1. Non-resident individual (not a Montana resident),
- 2. Foreign C. corporation (not engaged in or doing business in Montana), or
- 3. A pass-through entity,

The first-tier pass-through entity may be required to file this statement with their Montana return. This statement is not required if this second-tier pass-through entity is included in the Composite Income Tax Schedule on the first-tier pass-through entity's return.

Who prepares this statement?

An authorized representative of the second-tier pass-through entity must complete the form. It is not valid unless it is signed and dated by an officer or other individual who is authorized to sign on behalf of the second-tier entity.

The first-tier pass-through entity is responsible for submitting the completed statement with their tax return.

What are Pass-Through Entities?

Pass-through entities are classified based upon how they file their federal income tax return. Partnerships include limited liability companies treated as partnerships. S. corporations include limited liability companies treated as S. corporations. Disregarded entities include single member limited liability companies whose existence is disregarded for federal income tax purposes, partnerships that have elected by law (IRC 761) to be excluded from the partnership tax rules, qualified S. subsidiaries, and qualified REIT subsidiaries.

What Does the Department of Revenue NeedFrom Pass-Through Entities?

The law requires pass-through entities to remit amounts to the Department of Revenue on behalf of their second-tier owner(s) unless:

- the second-tier entity is included in the composite return filed by the first-tier entity, or
- the first -tier entity obtains this Second-Tier Pass-Through Entity Owner Statement

These amounts can be remitted at any time during the tax year.

The Department of Revenue cannot determine each participant's full responsibility for taxes so we require this statement (Form PT-STM) from all second-tier pass-through owners. This requirement is made of S. corporations, partnerships and disregarded entities.

What Will Happen if the Owners of a Second-Tier Pass-Through Entity Do Not File a Return and Pay Their Taxes?

If the owners of a second-tier pass-through entity do not file a Montana individual or corporate tax return or if they do not pay all taxes in a timely way, we will notify the first-tier pass-through entity. After this notice, the first-tier pass-through entity can no longer provide this statement (PT-STM) for that second-tier pass-through entity. In addition, the first-tier pass-through entity will be required to:

- remit the tax on behalf of that second-tier pass-through entity for any later tax year, or
- 2. include the second-tier pass-through entity in your composite return.

Instructions for Completing the PT-STM Form

The names reported in Part I and II should be the same

I. Identity and Status

(Select one of the following codes)

- Individual is a Montana resident (R)
- Individual is a nonresident (NR)
- C. corporation doing business in MT (C)
- C. corporation not doing business in MT (FC)
- S. corporation (S)
- Partnership (PS)
- Disregarded entity (DE)

II. Additional information about Certain Owners.

If the second-tier pass-through entity has an owner that is a non-resident individual, C. corporation not doing business in Montana, S. corporation, partnership, or disregarded entity, this section must be filled out. In this table, the second-tier pass-through entity provides us a description of the method used by that entity to notify its owners that they have Montana source income from that entity. For example, if that entity provided a Schedule K-1 to the owner with Montana income separately stated and notification that the owner may be responsible for Montana tax, the description "Federal Schedule K-1" could be used in this section.