



# Disability Income Exclusion Calculation

15-30-111, MCA  
Instructions on back

## Excludable Disability Pay

**Column A** (For single,  
joint, separate or  
head of household)

**Column B** (For spouse  
only when filing separate)

- |    |  |       |       |
|----|--|-------|-------|
| 1. | <p><u>Enter the smaller of</u></p> <ul style="list-style-type: none"> <li>➤ amount received per week times number of weeks received</li> <li style="text-align: center;">or</li> <li>➤ \$100 times the number of weeks you received disability payments (maximum \$5,200)</li> </ul> | _____ | _____ |
| 2. | <p>For payments received for a portion of a week, enter the smaller of the amount received or \$20 times the number of work days you received payments.</p>  | _____ | _____ |
| 3. | <p>Add lines 1 and 2.</p>  | _____ | _____ |
| 4. | <p>Add amounts on line 3, columns A and B.</p>   |       | _____ |

## Limitation on Exclusion

- |    |  |       |               |
|----|--|-------|---------------|
| 5. | <p>Enter Montana adjusted gross income (without exclusion).</p>  | _____ | _____         |
| 6. | <p>Add line 5, columns A and B.</p>  |       | _____         |
| 7. | <p>Amount to calculate exclusion.</p>  |       | <u>15,000</u> |
| 8. | <p>Subtract line 7 from line 6 (not less than zero)</p>  |       | _____         |
| 9. | <p>Subtract line 8 from line 4 (not less than zero)<br/>This is your disability income exclusion.<br/>Enter this amount on the other reductions line on Form 2 or Form 2S.</p> |       | _____         |

**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).**

## Disability Income Exclusion

- A taxpayer who is a resident of Montana qualifies for the disability income exclusion if he or she
  - is under age 65,
  - is retired on disability;
  - is permanently and totally disabled, and
  - has not chosen to treat his/her disability income as a pension or annuity.
- The adjusted gross income used in the computation of the exclusion is the taxpayer's Montana adjusted gross income.
- If the qualified taxpayer is married and filing separate returns, both the taxpayer's and the spouse's Montana adjusted gross incomes are to be combined to compute the exclusion.
- The department reserves the right to ask for proof of disability issued by a governmental unit (such as the Social Security Administration) certifying the taxpayer's permanent and total disability. If such certification is not available, the department may require other verification as necessary to prove disability.

Only income reported on a Form 1099R, distribution code 3, qualifies for the disability income exclusion.

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