

<b>Schedule II: Montana Subtractions from Federal Adjusted Gross Income</b>		Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
<b>1</b>	Enter exempt interest and dividends from federal bonds, notes, and obligations. ....		<b>1</b>
<b>2</b>	Enter exempt tribal income. ....		<b>2</b>
<b>3</b>	Enter exempt unemployment compensation. ....		<b>3</b>
<b>4</b>	Enter exempt workers' compensation benefits. ....		<b>4</b>
<b>5</b>	Enter exempt capital gains and dividends from small business investment companies. ....		<b>5</b>
<b>6</b>	Enter state tax refunds included in Montana Form 2, line 10. ....		<b>6</b>
<b>7</b>	Enter recoveries of amounts deducted in earlier years that did not reduce Montana income. ....		<b>7</b>
<b>8</b>	Enter exempt military salary of residents on active duty. ....		<b>8</b>
<b>9</b>	Enter exempt income of nonresident military servicepersons and spouses. ....		<b>9</b>
<b>10</b>	Enter exempt life-insurance premiums reimbursement for National Guard and Reservist. ....		<b>10</b>
<b>11</b>	Enter partial pension and annuity income exemption. Report Tier II Railroad Retirement on line 23 below. ....		<b>11</b>
<b>12</b>	Enter partial interest exemption for taxpayers 65 and older. ....		<b>12</b>
<b>13</b>	Enter partial retirement disability income exemption for taxpayers under age 65. ....		<b>13</b>
<b>14</b>	Enter exemption for certain taxed tips and gratuities. ....		<b>14</b>
<b>15</b>	Enter exemption for certain income of child taxed to parent. ....		<b>15</b>
<b>16</b>	Enter exemption for certain health insurance premiums taxed to employee. ....		<b>16</b>
<b>17</b>	Enter exemption for student loan repayments taxed to health care professional. ....		<b>17</b>
<b>18</b>	Enter exempt medical care savings account deposits and earnings. ....		<b>18</b>
<b>19</b>	Enter exempt first-time home buyer savings account deposits and earnings. ....		<b>19</b>
<b>20</b>	Enter exempt family education savings account deposits and earnings. ....		<b>20</b>
<b>21</b>	Enter exempt farm and ranch risk management account deposits. ....		<b>21</b>
<b>22</b>	Enter subtraction to federal taxable social security/Tier I Railroad Retirement reported on Form 2, line 20b. ....		<b>22</b>
<b>23</b>	Enter subtraction for federal taxable Tier II Railroad Retirement benefits reported on Form 2, line 16b. ....		<b>23</b>
<b>24</b>	Subtractions for spouse filing joint federal return.		
<b>24a</b>	Enter passive loss carryover exclusion. ....		<b>24a</b>
<b>24b</b>	Enter IRA deduction adjustment. ....		<b>24b</b>
<b>24c</b>	Enter capital loss adjustment. ....		<b>24c</b>
<b>25</b>	Enter subtraction of sole proprietor for allocation of compensation to spouse. ....		<b>25</b>
<b>26</b>	Enter Montana net operating loss carry over from Montana NOL Form Schedule B. ....		<b>26</b>
<b>27</b>	Enter 40% capital gain exclusion for pre-1987 installment sales. ....		<b>27</b>
<b>28</b>	Enter subtraction for business related expenses for purchasing recycled material. ....		<b>28</b>
<b>29</b>	Enter subtraction for sales of land to beginning farmers. ....		<b>29</b>
<b>30</b>	Enter subtraction for larger federal estate and trust taxable distribution. ....		<b>30</b>
<b>31</b>	Enter subtraction for wage deduction reduced by federal targeted jobs credit. ....		<b>31</b>
<b>32</b>	Enter subtraction for certain gains recognized by liquidating corporation. ...		<b>32</b>
<b>33</b>	Enter other subtractions. Specify: _____		<b>33</b>
<b>34</b>	Add lines 1 through 33, enter total here and on Form 2, line 39. <b>These are your total Montana subtractions from federal adjusted gross income.</b>		<b>34</b>