

2007

Montana Income Tax Return for Estates and Trusts

MONTANA Form FID-3

For the calendar year 2007 or the tax year beginning (mm-dd) _____, 2007, ending (mm-dd) _____, 20____

Form header section with checkboxes for Initial Return, Final Return, Amended Return, and NOL Carryback. Includes fields for Name of estate or trust, Federal Employer Identification Number, Name and title of fiduciary, Mailing Address, and City or town, state and Zip code + 4. Also includes checkboxes for Residency status (Resident, Nonresident) and Type of entity (Decedent's Estate, Trust, ESBT, Grantor Trust, Other).

Enter amounts corresponding to your federal return. Round to nearest dollar. If no entry leave blank

Main table with 38 rows for tax calculations. Rows include: 1. Interest income, 2a. Total ordinary dividends, 2b. Qualified dividends allocable to: (1) Beneficiaries, (2) Estate and Trust, 3. Business income or (loss), 4. Capital gain or (loss), 5. Rents, royalties, partnerships, other estates and trusts, etc., 6. Farm income or (loss), 7. Ordinary gain or (loss), 8. Other income, 9. Add lines 1, 2a, and 3 through 8 and enter the result here. This is your total federal income, 10. Interest and mutual fund dividends from other states' state, county and municipal bonds, 11. Dividends not included in federal total income, 12. Taxable federal refund, 12a. Taxable Montana homeowner property tax refund, 13. Other recoveries of amounts deducted in earlier years that reduced Montana taxable income, 14. Federal net operating loss carry forward included in Form FID-3, line 8 above, 15. Other additions, 16. Add lines 10 through 15 and enter the result here. This is your total Montana additions to income, 17. Exempt interest and mutual fund dividends from federal bonds, notes, and other obligations, 18. State tax refunds included on Form FID-3, line 8 above, 19. Other recoveries of amounts deducted in earlier years that did not reduce Montana taxable income, 20. Partial pension and annuity income exemption, 21. Montana net operating loss carry forward from Montana Form NOL Schedule B, 22. Other subtractions, 23. Add lines 17 through 22 and enter the result here. This is your total Montana subtractions from income, 24. Add lines 9 and 16 then subtract line 23 and enter the result here. This is your total Montana income, 25. Interest, 26. Federal income tax, 27. Other taxes, 28. Fiduciary fees, 29. Charitable deduction, 30. Attorney, accountant, and return preparer fees, 31. Other deductions not subject to the 2% floor, 32. Allowable miscellaneous itemized deductions subject to the 2% floor, 33. Add lines 25 through 32 and enter here. This is your deductions before distributions and exemptions, 34. Subtract line 33 from line 24 and enter the result here. This is your adjusted total income or (loss), 35. Income distribution deduction, 36. Exemption, 37. Add lines 35 and 36 and enter the result here. This is your total deductions and exemptions, 38. Subtract line 37 from line 34 and enter the result here. This is your Montana taxable income.

Entity Name _____ Tax period ending _____ FEIN: _____

Schedule I - Distribution to Beneficiaries

List name and address of each beneficiary receiving a portion of distributions reported on line 35. If more than 10 beneficiaries, attach a separate schedule.

A	B	C	D	E	F
Name and Address of Beneficiary (Name Street Address City State Zip Code)	Identification Number		Interest and Dividends Received by Beneficiary	Capital Gains Received by Beneficiary	Other Income Received by Beneficiary
1.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
2.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
3.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
4.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
5.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
6.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
7.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
8.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
9.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
10.	SSN	<input type="checkbox"/> Resident			
	FEIN	<input type="checkbox"/> Nonresident			
Column Totals					

Use additional sheets if necessary or you may create your own schedule if you use the exact same format used here.

Schedule II - Nonresident Estate and Trust Tax (Include only the income that has not been distributed.)	Column A - Enter the corresponding income from Form FID-3, page 1	Column B – Montana source income included in the amount in Column A
1. Montana source interest income.	1.	1.
2. Montana source ordinary dividends.....	2.	2.
3. Montana source business income or (loss.)	3.	3.
4. Montana source capital gain or (loss.)	4.	4.
5. Montana source rental real estate, royalties, partnerships, S corporations, other estates and trusts, etc.	5.	5.
6. Montana source farm income or (loss.)	6.	6.
7. Montana source ordinary gain or (loss.)	7.	7.
8. Montana source other income.	8.	8.
9. Montana source interest and mutual fund dividends from other states' state, county or municipal funds.	9.	9.
10. Montana source dividends not included in federal adjusted gross income.	10.	10.
11. Montana source taxable federal refund.	11.	11.
12. Montana source other recoveries of amounts deducted in earlier years that reduced Montana taxable income in those years.	12.	12.
13. Montana source other additions.	13.	13.
14. Add lines 1 through 13 and enter the result here. This is your Montana source income in column B.	14.	14.
15. Divide the amount in Column B, line 14 above by the amount in Column A, line 14 above and enter result here. Carry to 4 decimal places and do not enter more than 1.0000.	15.	15.
16. Enter your resident tax after capital gains credit reported on Form FID-3, line 42.	16.	16.
17. Multiply the tax on line 16 by the percentage on line 15 and enter the result here and on Form FID-3, page 2, line 42a. This is your nonresident tax after capital gains credit.	17.	17.

How do I determine what is my Montana source income when I am a non-resident trust or estate?

In general, as a non-resident estate or trust your Montana source income is all the income that you receive for work performed in Montana, income that you receive from real or personal property that is located in Montana, and income that you receive from a business conducted in Montana. Please refer to page 9 of the instruction booklet for Schedule II.

2007 Montana Fiduciary Income Tax Table									
If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax	If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax
\$0	\$2,500	0.010	\$0		\$9,000	\$11,600	0.050	\$225	
\$2,500	\$4,400	0.020	\$25		\$11,600	\$14,900	0.060	\$341	
\$4,400	\$6,600	0.030	\$69		\$14,900	or more	0.069	\$475	
\$6,600	\$9,000	0.040	\$135						

For example: Taxable income \$4,500 X .03(3%) = \$135. \$135 minus \$69 = \$66 tax

Schedule III - Montana Tax Credits

Nonrefundable credits that are single-year credits and HAVE NO carryover provision.

1. Enter credit from an income tax liability paid to another state or country from Form FID-3, Schedule IV. Attach Form FID-3, Schedule IV.	1.	
2. College contribution credit. Attach Form CC.	2.	
3. Qualified endowment credit. Attach Form QEC.	3.	
4. Energy conservation installation credit. Attach Form ENRG-C.	4.	
5. Alternative fuel credit. Attach Form AFCR.	5.	
6. Health insurance for uninsured Montanans credit. Attach Form HI.	6.	
7. Elderly care credit. Attach Form ECC.	7.	
8. Developmental disability account contribution credit.	8.	
9. Recycle credit. Attach Form RCYL.	9.	
10. Oil seed crushing and biodiesel production facility credit. Attach Form OSC.	10.	
11. Biodiesel blending and storage tax credit. Attach Form BBSC.	11.	
12. Add lines 1 through 11 and enter result here and on FID 3, line 45. This is your total nonrefundable single-year credits.	12.	

Nonrefundable credits that HAVE a carryover provision.

13. Contractor's gross receipts tax credit.	13.	
14. Geothermal systems credit. Attach Form ENRG-A.	14.	
15. Alternative energy systems credit. Attach Form ENRG-B.	15.	
16. Alternative energy production credit. Attach Form AEPC.	16.	
17. Dependent care assistance credit. Attach Form DCAC.	17.	
18. Historic property preservation credit. Attach federal Form 3468.	18.	
19. Montana capital company credit.	19.	
20. Infrastructure user's fee credit.	20.	
21. Empowerment zone credit.	21.	
22. Increasing research activities credit. Attach Form RSCH.	22.	
23. Mineral exploration incentive credit. Attach Form MINE-CRED.	23.	
24. Film employment production credit. Attach Form FPC. Report your credit on this line if you have made the one-time four year carry forward election.	24.	
25. Adoption credit.	25.	
26. Add lines 13 through 25 and enter result here and on Form FID-3, line 46. This is your total nonrefundable credits.	26.	

Refundable credits.

27. Film employment production credit. Attach Form FPC.	27.	
28. Film qualified expenditure credit. Attach Form FPC.	28.	
29. Insure Montana small business health insurance credit. Business FEIN: _____	29.	
30. Add lines 27 through 29 and enter result here and on Form FID-3, line 56. This is your total refundable credits.	30.	

**Schedule IV - Credit for an Income Tax Liability Paid to Another State or Country.
Full-year resident only.**

1. Enter your income taxable to another state or country that is included in Montana income on Form FID-3, line 24. Where applicable, this includes your share of income taxes paid that were claimed as a deduction by your S corporation or partnership.	1.	
2. Enter your total income from the other state or country you used in calculating your income tax paid to that state or country. Include in this total all income exempt from Montana income tax that was subject to tax in the other state or country.	2.	
3. Enter your total Montana income from Form FID-3, line 24. Where applicable, this includes your share of income taxes paid that are claimed as a deduction by your S corporation or partnership.	3.	
4. Enter your total income tax liability paid to the other state or country.	4.	
5. Enter your Montana tax liability from Form FID-3, line 42.	5.	
6. Divide line 1 by line 2. Enter the percentage here, but not greater than 100%.	6.	
7. Multiply line 4 by line 6 and enter the result here.	7.	
8. Divide line 1 by line 3. Enter the percentage here, but not greater than 100%.	8.	
9. Multiply line 5 by line 8 and enter the result here.	9.	
10. Enter here and on Form FID-3, Schedule III, line 1, the smaller of the amounts reported on lines 4, 7, or 9 above. This is your credit for an income tax paid to another state or country.	10.	

Schedule V - Reporting of Special Transactions

Complete Schedule V only if your estate or trust filed for federal income tax purposes any of the federal forms described below. Check the appropriate box indicating which form(s) you filed with your federal income tax return. If your answer is "Yes" to one or more of these forms, you will need to attach a complete copy of your federal income tax return Form 1041.

1. My estate or trust filed federal Form 8264 – Application for Registration of a Tax Shelter with the Internal Revenue Service. Form 8264 is required to be filed to register a tax shelter.	<input type="checkbox"/> Yes
2. My estate or trust filed federal Form 8271 – Investor Reporting of Tax Shelter Registration Number with the Internal Revenue Service. Form 8271 is used to report the tax shelter registration number that the Internal Revenue Service assigns to certain tax shelters required to be registered under 26 USC 6111 and to report the name and identifying number of the tax shelter.	<input type="checkbox"/> Yes
3. My estate or trust filed federal Form 8824 – Like-Kind Exchanges with the Internal Revenue Service. NOTE: Check this box if your like-kind exchange includes Montana property. Non-residents do not have to report a like-kind exchange if the properties involved do not include Montana property. Form 8824 is used to report each exchange of business or investment property for property of a like kind.	<input type="checkbox"/> Yes
4. My estate or trust filed federal Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships with the Internal Revenue Service. Form 8865 is used to report the information required under 26 USC 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interest).	<input type="checkbox"/> Yes
5. My estate or trust filed federal Form 8886 – Reportable Transaction Disclosure Statement with the Internal Revenue Service. Form 8886 is used to disclose information for each reportable transaction in which you participated.	<input type="checkbox"/> Yes
6. My estate or trust filed federal Form 13656 – Notice of Election by Executive and Related Person to Participate in Announcement 2005-19 Settlement Initiative with the Internal Revenue Service. Form 13656 is an election to participate in the settlement initiative as described in Announcement 2005-19 and as contained in Internal Revenue Bulletin 2005-11 dated March 14, 2005.	<input type="checkbox"/> Yes
7. My estate or trust filed federal Form 13750 – Election to Participate in Announcement 2005-80 Settlement Initiative with the Internal Revenue Service. Form 13750 is an election to participate in the settlement initiative as described in Announcement 2005-80 and as contained in Internal Revenue Bulletin 2005-46 dated November 14, 2005.	<input type="checkbox"/> Yes