

DO NOT USE THIS SPACE

1996 ELDERLY HOMEOWNER/RENTER CREDIT

MCA 15-30-171 thru 15-30-179
File on or before April 15, 1997 or with your Form 2 or 2S

Instructions on back

**RETURN WILL NOT BE PROCESSED WITHOUT PROPERTY TAX CERTIFICATION, PAID PROPERTY TAX OR RENT RECEIPT(S)
PLEASE ATTACH THESE TO THIS FORM**

LAST NAME	Your First Name & Middle Initial	Your Social Security No.
Spouse's Last Name if Different	Spouse's First Name & Initial	Spouse's Social Security No.
MAILING ADDRESS	City	State Zip Code+4

PLEASE FOLLOW INSTRUCTIONS ON THE BACK WHEN COMPLETING THIS FORM	YES	NO
PART I IF THE ANSWER TO ANY OF THE QUESTIONS BELOW IS NO, YOU'RE NOT ELIGIBLE FOR THE CREDIT. DO NOT COMPLETE THIS SCHEDULE.		
Were you age 62 or older as of December 31, 1996?		
Did you reside in this state for 9 months or more during 1996?		
Did you occupy Montana residence(s) as an owner or renter a total of 6 months or more during 1996?		

Part II - List taxable and nontaxable income received from all members of the household.

1. Enter total income received from wages, fees, bonuses, all capital gains, ordinary income, dividends and interest **Do not include any losses** 1. _____
2. Enter total income for business, partnerships, rents, royalties, etc. **Do not include any losses** 2. _____
3. Enter any payments and interest on federal, state, county and municipal bonds 3. _____
4. Enter alimony, public assistance, unemployment, tax refunds, etc. 4. _____
5. Enter all pensions and annuities, including Railroad Retirement, PERS, Veteran's Disability, All social security income except social security paid directly to a nursing home 5. _____
6. Total income (add lines 1 thru 5) TOTAL 6. _____
7. Multiply the amount on **Line 5** times 50% (.5) and enter the result here 7. _____
8. Enter \$4,000 or the amount on line 7, whichever is greater 8. (_____)
9. Total household income. Subtract line 8 from line 6 (if less than zero enter zero) TOTAL 9. _____

PART III—HOMEOWNER—Complete line 10 (**Renters—**use line 11)

10. General property tax paid on residence and land in 1996 **not to exceed 1 acre. do not include special assessments or fees** (see instructions) 10. _____

RENTER— Complete form on reverse side

11. Rent paid on residence in 1996 (attach signed rent receipts) 11. _____
 12. Rent equivalent—Multiply line 11 by 15% (.15) 12. _____
 13. Total of allowable property tax and/or allowable rents paid—Line 10 and/or line 12 13. _____
- PERCENT OF HOUSEHOLD INCOME COMPUTATION**
14. Total household income from line 9 14. _____
 15. Enter multiplier figure from tax table on reverse side 15. _____
 16. Net allowable household income—Multiply line 14 by line 15 16. _____
 17. Subtract line 16 from line 13. **If this is zero or less, you cannot take the credit; do not file this form.** 17. _____
 18. Enter the amount from line 17 or \$1,000 whichever is smaller (the maximum refund is \$1,000) 18. _____

If you file a Montana State Tax Form 2, enter amount from line 18 on line 55.
If you file a Montana State Tax Form 2S, enter amount from line 18 on line 35.

If you are not required to file Form 2 or 2S, mail this form to:

Income Tax Division, Montana Department of Revenue, PO Box 6577, Helena, MT 59604-6577.

REFUNDS WILL BE ISSUED THROUGH THE INCOME TAX DIVISION

I declare under penalty of false swearing that the information in this return and attachment is true, correct and complete.

Your Signature

Date

Telephone Number

Spouses's Signature

Date


ATTACH THIS FORM TO YOUR RETURN

Elderly Homeowner or Renter Credit

Instructions (principal residence only)

The elderly homeowner or renter credit is for your use if you're 62 years old or older. A credit for a portion of your property taxes or rent paid may be used against your state income tax liability or as a direct refund even if you're not required to file a Montana state return.

Please read the instructions and complete the form to see if you qualify for the credit.

Additional help is available by calling 1-406-444-3674 or TDD 1-406-444-2830 for hearing impaired. 

Part I

Answer all questions. If the answer to any question is No, you are not eligible for the credit.

Part II

Household income—include all income received by you and any members of your household. Only one claim is allowed per household.

Lines 1-6. Enter on lines 1 thru 5 your income from the various sources, and enter the total on line 6. (Do not include any Social Security paid directly to a nursing home on line 5). **Do not include any losses. You must report gains, including gains on the sale of your home. All tax refunds must also be reported.**

Line 7. Multiply your total retirement income on line 5 times 50% (.5) and enter the result on line 7.

Line 8. Household Exclusion. Enter \$4,000 or the amount on line 7, whichever is greater.

Line 9. Subtract the amount on line 8 from line 6 and enter balance. (If less than zero enter zero)

Trusts: Property taxes paid on a residence held in a *revocable trust* which are paid by an eligible claimant are allowable. The eligible claimant and their spouse must be the only trustees of the revocable trust.

Property taxes paid for property held in an *irrevocable or family trust* are not considered paid by the individual. These taxes cannot be claimed on this form. If the property taxes are paid by a qualifying individual, the taxes are treated as rent when calculating this credit.

Qualifying individuals who place their residence in a *life estate* and who pay the property tax may claim the taxes when calculating this credit.

Part III-HOMEOWNERS

Line 10. Include a copy of your paid property tax receipt, property tax certification form, or a letter from your County Treasurer showing total general property taxes paid in 1996.

Enter your taxes paid in 1996 on your residence and surrounding land (not in excess of 1 acre). Do not include special assessments, penalties or interest. Examples of special assessments are transit fees, city assessment, sprinkling, sanitation, maintenance fees, garbage, land fill, storm sewer, paving, lighting, irrigation, water system, sweeping, T.V. district, predator or mosquito control, livestock, rural fire, and any

special improvement district (S.I.D.) charges.

To figure your tax on residences over 1 acre ask your county assessor for the taxable value of your residence and land not exceeding one acre. Multiply the taxable value, by the district mill levy and enter result on line 10.

Contact your County Treasurer for the correct tax figures if you have questions.

Skip lines 11 and 12 and enter your allowable tax from line 10 on line 13.

RENTERS. Complete box below. Signed rent receipts must be attached.

Renters of subsidized housing are eligible to apply.

When a taxpayer lives in a health care, long term care, personal care, or residential facility the rent allowed is the greater of \$20 per day or the verified actual rent paid. If amenities (meals, house-keeping, personal care services, etc. are included in the monthly charges, a breakdown showing the allocation between rent and amenities must be attached. If an adequate breakdown between rent and amenities paid is not provided, the rent allowed will be limited to \$20 a day.

Line 11—Enter the amount of rent you paid in 1996. Signed rent receipts must be attached.

Line 12—Multiply line 11 by 15% (.15). Enter the result here and on line 13.

HOMEOWNERS and RENTERS

If you own your home and rent the land or rent your home and own the land:

Enter your taxes paid on line 10. Enter your rent paid on line 11. Add lines 10 and 12 and enter total on line 13.

Line 14—Enter your household income from line 9.

Line 15—From the table below enter your multiplier based on your household income. (example: household income - \$8,500, multiplier - .039.)

Line 16—Multiply line 14 by line 15 and enter the result.

Line 17—Subtract line 16 from line 13. (not less than zero.)

Line 18—Enter the amount from line 17 or \$1,000, whichever is smaller. This is the amount of your credit.

If you file a Montana individual income tax return, enter this amount on line 55 Form 2, page 2 or Form 2S line 35. If you don't file, mail this form to Income Tax Division, Montana Department of Revenue, PO Box 6577, Helena, MT 59604-6577.

HOUSEHOLD INCOME REDUCTION TABLE

If your HOUSEHOLD INCOME on line 9 is:		Your multiplier for line 15 is:
At least	But not more than	
\$ 0	\$ 1,999	0
2,000	2,999	.006
3,000	3,999	.016
4,000	4,999	.024
5,000	5,999	.028
6,000	6,999	.032
7,000	7,999	.035
8,000	8,999	.039
9,000	9,999	.042
10,000	10,999	.045
11,000	11,999	.048
12,000 & over		.050

Signed Rent Receipts must be attached
This is not a substitute for rent receipts.

RENTER COMPLETE LINES A THRU G

- A. Name of landlord _____
- B. Address of landlord _____
- C. City _____
- D. Is your landlord a relative?
 Yes: Relationship _____
 No
- E. Telephone number of landlord _____
- F. How many months did you rent in 1996? _____
- G. Enter here and on line 11 the total amount of rent paid in 1996.

\$ _____

If more than (1) landlord—please list on separate sheet.