

## Department of Revenue Offers Helpful Advice as Tax Filing Deadline Nears

With the tax filing deadline just around the corner, the Montana Department of Revenue has some last-minute advice and helpful tips for those still working on their state income tax returns.

“Our best advice is to use electronic filing,” said revenue director Dan Bucks. “It’s a great option.”

Electronic filing can be accomplished several ways -- through a tax practitioner who is authorized for IRS e-file or on a personal computer using off-the-shelf income tax software or a web-based tax service.

Bucks added, “If you file your tax return electronically and request direct deposit, you will be in the best possible situation. That combination can get your refund to you in five - ten days.”

In addition to electronic filing, the department has other advice that will prove helpful to last-minute filers.

“Taxpayers should keep several things in mind,” said Bucks. “Most importantly, taxpayers need to mark the appropriate check boxes, provide key information, attach all required schedules, check their math computations and, of course, remember to sign the tax return,” he said.

Mark the appropriate check boxes. Be sure to fill in the check box for the residency status option that applies to you. Select only one (resident full year, nonresident full year, or resident part-year). Also be sure to fill in the check box for your filing status choice (single; married filing joint return; head of household; married and both filing separate returns on this form; married and both filing separate returns on separate forms; or married filing separate and spouse is not filing). Select only one filing status.

Provide key information. Put all required social security numbers on the tax return. If using the long form (Form 2), be sure to indicate whether you are electing to use the standard deduction or whether you are itemizing your deductions (line 42). Remember to enter the correct number of exemptions, if you have dependents. All filers are entitled to at least one exemption. Also, be sure to indicate the type of bank account that will be used, if you elect direct deposit. Do this by checking either the “checking” box or the “savings” box.

Attach your wage statements and all required schedules. If you choose not to e-file, remember to attach a copy of all Forms W-2, Wage and Tax Statement, and other forms that reflect tax withheld. In addition, be sure to attach all necessary forms and schedules, such as Schedule I (Montana additions to federal adjusted gross income), Schedule II (Montana subtractions from federal adjusted gross income) and Schedule III (Montana itemized deductions) .

Check math computations. Double check all figures on the tax return. Math errors are a common mistake. Also, check that you have correctly calculated the refund or balance due and have used the tax table information properly. Use the correct information from the Tax Table for your level of taxable income.

Sign and date your return. The tax return must be signed and dated. When filing together with a spouse, both taxpayers must sign and date the return.

And, perhaps most importantly, Bucks said, the tax return needs to be filed on time. This year, the filing deadline is April 17.

“By the April 17 due date, taxpayers should either file a tax return or request an extension of time to file,” he said.

Taxpayers can receive an automatic six-month extension of time to file a state tax return by filing federal Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, with the Internal Revenue Service. In addition, they need to pay at least 90% of the 2005 Montana income tax

liability, or 100% of the 2004 Montana income tax liability, through withholding and/or estimated payments by April 17.

Taxpayers should not send federal Form 4868 the department prior to their actual tax filing. When the taxpayer does get around to filing the tax return, he or she simply needs to check the Extension box on the state tax return and attach a copy of the federal Form 4868.

"Taxpayers should understand that an extension to file is not an extension to pay. Late pay penalties and interest will apply to any tax liability that remains after April 17," said Bucks.

For taxpayers who are having trouble paying their tax bill, there are payment options.

"First, taxpayers should pay as much as they can when they file their tax return," said Bucks. "That will help to minimize late payment fees and interest."

Then the taxpayer should call the department at (406) 444-6900 to be connected to a collection specialist who can help develop a mutually agreeable payment plan, he said.

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