



2002

# Montana Corporation License Tax Booklet Form CLT-4



Photo by Ross Magnuson

**Fiscal Year Filers - Please Note:**

These are your Corporation License Tax Forms for your fiscal year beginning in 2002. Retain this booklet for your 2002 filing purposes.

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Dear Montana Corporate Taxpayer:

The Montana Department of Revenue is continuing our efforts to become more modern, efficient and customer-focused. Our goal is to make it simpler and more convenient for taxpayers to do business with us. That includes making it easier for you to file your Montana Corporation License Tax return. If you have ideas on how we can improve our service, please feel welcome to contact our offices.

You may contact the Department of Revenue by e-mail with any questions, requests, comments or suggestions. The e-mail address is [jpurcell@state.mt.us](mailto:jpurcell@state.mt.us). In addition, you may download our forms and instructions at [www.discoveringmontana.com/revenue](http://www.discoveringmontana.com/revenue) or contact our Customer Service Center at (406) 444-6900.

Sincerely,

Kurt Alme  
Director  
Department of Revenue

## Instructions for Filing Montana Corporation License Tax Return - Form CLT-4

### Subject To Tax

Every corporation engaged in business in the State of Montana; unless expressly exempted by the Department of Revenue under 15-31-102(1), Montana Code Annotated (MCA); must file an annual Montana Corporation License Tax return. The term "corporation" includes associations, joint stock companies, common law trusts and business trusts which do business in an organized capacity, whether or not under and pursuant to state laws, agreements or declarations of trust.

A tax of six and three-quarters percent (6.75%) is paid upon the total net income received in the preceding fiscal or calendar year from all sources within the State of Montana. Corporations with a valid water's edge election shall pay 7% upon the total net income received in Montana. If a corporation has sustained a net loss, it must file a Corporation License Tax return. The minimum tax paid by any corporation will be \$50.00. In the case of a combined return, the minimum tax applies to each corporation with Montana activity.

## When to File

For calendar year taxpayers, the tax is due on or before May 15th. For fiscal year taxpayers, the tax is due on or before the 15th day of the fifth month after the close of the taxable year. Interest of 12% per annum will accrue on any tax liability which has not been paid by the original due date of the return.

A corporation shall be allowed an automatic extension of time to file its return of up to six months following the prescribed filing date (15-31-111(3)(a), MCA). No application for an extension is necessary.

## Where to File

Mail returns to:

Montana Department of Revenue  
P.O. Box 5805  
Helena, Montana 59604-5805

## Montana Taxable Income

**Gross Income** - The term gross income means all income recognized in determining the corporation's gross income for federal income tax purposes.

**Deductions** - Deductions are those allowed in determining the federal net income and/or those deductions specifically set forth under 15-31-114, MCA.

### Line 1 - Taxable Income:

The taxable income reported on line 28 of your federal return (Form 1120) must be entered on line 1 of your Montana return (Form CLT-4). A complete copy of your Form 1120 MUST be attached to your CLT-4. If the Form 1120 is voluminous, attach pages 1 through 4, along with the schedules computing income and deductions, and supporting federal schedules for each of the following items, if applicable:

- Line 2 - Cost of Goods Sold/and or Operations
- Line 8 - Net Capital Gains (Schedule D)
- Line 9 - Ordinary Gains/(Loss)
- Line 10 - Other Income
- Line 17 - Taxes
- Line 26 - Other Deductions
- Form 8873 - Extraterritorial Income Exclusion

### Line 2 - Montana Additions:

(a)(b) The Montana Corporation License Tax and other state, local, and foreign income taxes must be added back to income (15-31-114(1)(e), MCA). Attach a breakdown of the federal 1120 line 17 taxes. These taxes are added back on lines 2a or 2b.

(c) Municipal bond interest is taxable and is added to income on line 2c (15-31-113(1)(a)(i), MCA).

(d) If the Charitable Endowment Credit is claimed on this return, the amount of contribution used to compute the credit must be included in income on line 2(d). (15-31-161, MCA).

(e) The federal Extraterritorial Income Exclusion is not allowed for Montana purposes. Consequently it must be added back in computing Montana taxable income.

(f) A detailed breakdown of other additions to income must be attached to the CLT-4 and reported on line 2e.

If a Foreign Sales Corporation (FSC) is owned by the taxpayer, a copy of the federal form 1120-FSC must be attached.

### Line 3 - Montana Reductions:

Montana allows a deduction for Section 243 Dividends at the same percentage as the federal deduction. This deduction is reported on line 3a.

**Nonbusiness Income:** (multistate taxpayers only) The term "business income" means income arising from transactions and activity in the regular course of a taxpayer's trade or business, and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations. Gains or losses from the sale of capital or business assets, dividends, interest, rents, or royalties are presumed to be business income unless they can be clearly classified as nonbusiness income. A statement or schedule

which describes the type of income and explains in detail why the income is considered to be nonbusiness, must be attached to your return. All nonbusiness income is reported on line 3b.

Other deductions allowable in computing your Montana taxable income are reported on line 3c. A detailed schedule must be attached to your return.

Examples are:

- The amount of contributions made by a small business to its independent liability fund (33-27-117(1), MCA).
- A portion of an investment made in a building for the purpose of conserving energy (15-32-103, MCA). To qualify, the building must be used in the corporation's business and the result of the investment must be a substantial reduction in the amount of energy needed to render the building usable.
- Current year capital losses must be deducted in the year incurred (15-31-114(1)(b)(i), MCA). Attach copy of Federal Schedule D.
- Documented expenses for the donation of mineral exploration information to the Montana Tech Foundation (15-32-510, MCA).
- An additional 10% deduction for the purchase of recycled material; as computed on Form RCYL-CT. A copy of Form RCYL-CT (15-32-610, MCA) must be attached to your return.

### Line 4 - Adjusted Taxable Income:

Add lines 1 and 2 and subtract line 3; enter total on line 4.

### Line 5 - Income Apportioned to Montana:

For multistate taxpayers, multiply the amount reported on line 4 by the apportionment percentage from Schedule K; enter total on line 5.

### Line 6 - Income Allocated Directly to Montana:

For multistate taxpayers, any income determined to be Montana allocable income must be reported on line 6.

### Line 7 - Montana Taxable Income before Net Operating Loss:

Add lines 5 and 6; enter total on line 7 or enter amount shown on line 4. If a net operating loss was incurred, this loss must be carried back to the three (3) preceding taxable years prior to the loss year (15-31-119, MCA). An election to forego the entire carryback period may be made on page 1 of the CLT-4. Once made, an election to forego the carryback is irrevocable for the year made. If a net loss is reported on line 7 and neither box is checked, the loss must be carried back.

### Line 8 - Montana Net Operating Loss Carryover:

If you have sustained a Montana net operating loss in a preceding taxable year and such loss has not been fully offset against the Montana taxable income of the three previous taxable years, as outlined under 15-31-119, MCA, then you may apply the remaining loss against your income reported on line 4 or line 7. A net operating loss incurred may be carried forward for seven (7) taxable years following the year of the loss. Taxpayers who claim a Montana net operating loss deduction on line 8 must attach a detailed schedule of the net operating loss carryforward.

### Line 9 - Montana Taxable Income:

Subtract any loss reported on line 8 from line 7 and enter the Montana taxable income on line 9.

## Tax Due

### Line 10 - Montana Tax Liability:

Multiply line 9 by 6.75% (7% for corporations filing under a valid water's edge election) and enter the total on line 10. The Montana tax liability must not be less than \$50.00 (15-31-121(3), MCA), with the exception of the alternative tax explained on page 5. In the case of a combined return, the minimum tax applies to each corporation with Montana activity.

### Line 11 - Payments:

2001 Overpayment - An overpayment of your 2001 tax, not previously refunded, may be claimed as a credit on Line 11a.

Tentative Payment - You may elect to make a tentative payment of tax by attaching a remittance to the Montana Corporation License Tax Payment Coupon, inserted in this booklet. Please make your check payable to the Department of Revenue. Be sure to reference your federal employers identification number (FEIN) on your check. If a

tentative payment has been made, enter the amount on Line 11b.

Quarterly Estimated Payments - If quarterly estimated payments were made during 2002, enter the total of those payments on Line 11c. Add the payments reported on lines 11a, 11b, and 11c; enter the total payments on line 11.

### Line 12 - Credits:

To claim any credits on the CLT-4, you must attach a completed copy of Schedule C and the prescribed forms and/or detailed schedules for the credits claimed. Please see the instructions for Schedule C on pages 5 and 6 of this booklet.

### Line 13 - Tax Due:

Subtract any payments on line 11 or credits on line 12 from line 10. Enter the total tax due on line 13.

## Total Due or Overpayment Due

### Line 14 - Interest:

When the tax due is not paid by the original due date, interest on the tax due accumulates at the rate of twelve percent (12%) per annum until the tax is paid. Interest is accrued at 1% a month or fraction of a month on the unpaid tax. Taxes are due by the fifteenth day of the fifth month following the close of the taxable year.

### Line 15 - Estimated Tax Underpayment Interest Penalty:

If your tax liability is \$5,000 or greater, you must make quarterly estimated payments (15-31-502, MCA). A 12% per annum interest penalty will be imposed on any underpayment, as calculated in 15-31-510, MCA.

Compute the estimated tax underpayment interest penalty, if applicable, on Form CLT-4UT and attach a completed copy to your return. From line 18 of the CLT-4UT, enter amount of interest penalty on line 15.

### Line 16 - Penalty:

Your tax is due by the fifteenth day of the fifth month following the close of the taxable year. If you opt for the automatic extension of up to six (6) months, the tax plus any applicable interest is due when the return is filed.

Late Filing Penalty - If the return is not filed with the department by the due date, including any extension of time, a late filing penalty of \$50 or the amount of the tax due, whichever is less, must be assessed. If

there is an overpayment of tax reported on the return, no late filing penalty will be due. (15-1-216(1)(a), MCA)

Late Payment Penalty - The tax is due when the return is filed. A late payment penalty of 1.5% a month or fraction of a month must be assessed on the unpaid tax if payment is not received within the extended due date. The penalty may not exceed 18% of the tax due and is calculated from the original due date of the return. (15-1-216(1)(c), MCA)

### Line 17 - Total Due or Overpayment:

Add any applicable interest or penalties as reported on lines 14, 15, and/or 16 to the liability on line 13. Enter the total due/overpayment on line 17.

Pay the amount due in full by attaching your remittance, payable to the Department of Revenue, to the completed Montana Corporation License Tax Payment Coupon inserted in this booklet. Submit your payment and coupon with your return to the address listed on the coupon.

An overpayment may be applied to next year's liability or refunded.

### Line 18 - Overpayment Credited to 2003 Estimated Tax:

Indicate the amount, if any, of the overpayment that you wish to be applied to your 2003 estimated tax on line 18.

### Line 19 - Refund Due:

Indicate the amount, if any, of the overpayment that you wish to have refunded to you on line 19.

## Instructions for Schedule K

**SCHEDULE K applies only to multistate taxpayers. All multistate taxpayers must complete and attach the Schedule K to their Montana CLT-4.**

In most cases, multistate taxpayers must compute their Montana taxable income by means of the apportionment factor calculated on Schedule K. The apportionment factor is the standard UDITPA (Uniform Division of Income for Tax Purposes Act) three-factor formula of property, payroll, and sales used by most states with a corporate tax based on net income.

When a corporation is engaged in a unitary business within and without the State of Montana, the net income assignable to Montana must be determined using the apportionment factor. A business is unitary when the operations of the business within the state is dependent upon or contributory to the operations of the business outside the state. Schedule K must be completed fully by every corporation carrying on a unitary business within and without the state.

If the determination of income attributable to Montana is made on some basis other than the apportionment method, a full and detailed description of the operation and an explanation of the method proposed must accompany the return. However, schedule K must be completed even in a case where a taxpayer uses an alternative method of determining Montana taxable income.

A detailed explanation of the calculation of the apportionment factor is as follows:

Property Factor (Line 1, Schedule K): 15-31-306, MCA defines the property factor as a fraction, the numerator being the average value of the taxpayer's real and tangible personal property owned or rented and used in Montana in the production of business income during the tax period and the denominator being the average value of all the taxpayer's real and tangible personal property owned or rented and used in the production of business income during the tax period.

Property owned by the taxpayer is valued at its original cost. Real and tangible personal property used in the business includes land, building, machinery, equipment, stocks of goods, inventories, and other

## Instructions for Schedule K (continued)

tangible property actually used in connection with the production of the business income to be apportioned. It does not include money, accounts receivable, or other intangible property, real property held for investment or nonbusiness purposes or idle property of any nature.

Migratory property must be included in the numerator of the factor to the extent utilized in Montana.

Unless otherwise required by the Department of Revenue, the average value of owned property shall be determined by averaging the values at the beginning and ending of the tax period.

Property rented by the taxpayer must be valued at eight times the net annual rental rate. Rental expenses may not be averaged. The rental expenses for the current year must be used in the property factor.

**Payroll Factor (Line 2, Schedule K):** 15-31-308, MCA defines the payroll factor as a fraction, the numerator being the total amount paid in Montana during the tax period by the taxpayer for compensation attributable to the production of business income and the denominator being the total amount paid everywhere during the tax period for compensation attributable to the production of business income.

15-31-309, MCA states that payroll is paid in Montana if:

- the individual's service is performed entirely within the state;
- the individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or
- some of the service is performed in the state and:
  - the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state; or
  - the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed but the individual's residence is in this state.

**Sales Factor (Line 3, Schedule K):** The term "sales" means all gross receipts of the taxpayer exclusive of nonbusiness income. 15-31-310, MCA defines the sales factor as a fraction, the numerator being the total sales of the taxpayer in Montana during the tax period and the denominator being the total sales of the taxpayer everywhere during the tax period.

Sales of tangible personal property are in the state if:

- the property is delivered or shipped to a purchaser, other than the United States Government; or
- the taxpayer is not taxable in the state of the purchaser.

Sales, other than sales of tangible personal property, are in this state if:

- the income-producing activity is performed in this state; or
- the income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

**Sum of Factors (Line 4, Schedule K):** Add lines 1, 2, and 3; enter the sum of the factors on line 4.

**Apportionment Factor (Line 5, Schedule K):** Divide line 4 by the number of factors present. For example, if the taxpayer reports only a sales factor and a property factor, but does not have payroll (in Montana or anywhere) to report a payroll factor; then the taxpayer would divide line 4 by 2 (the total number of existing factors), rather than 3. Enter the apportionment factor on line 5 of Schedule K and on line 5, page 1.

### Combined Returns for Multistate Corporations:

If a particular trade or business is carried on by a taxpayer and one or more "unitary" corporations owned greater than 50%, the taxpayer is required to file a "combined return" whereby the entire business income of such trade or business is apportioned in accordance with 15-31-305 through 15-31-311, MCA.

### Alternative Tax:

A taxpayer whose only activities in Montana consist of sales and do not include owning or renting real or tangible personal property, and whose dollar volume of gross sales made during the tax year within Montana does not exceed \$100,000, may elect to pay a tax of one-half of one percent (½%) on the gross volume of sales made in Montana in lieu of paying the Corporation License Tax based on net income (15-31-122, MCA). If electing the alternative tax, enter the calculated tax liability on line 10, page 1.

## Instructions for Schedule C

**A completed copy of Schedule C and the prescribed Corporation Tax forms or schedules must be attached to your CLT-4 in order to offset any tax liability by these credits.**

➤Line 1 - **Montana Capital Company Credit** A credit was available to corporations which invested in a qualified Montana capital company within 4 years of July 1, 1987, or in a qualified Montana small business investment capital company within 4 years of July 1, 1991. A credit qualified under 90-8-202(3), MCA may be carried forward 15 years. Report any available carryover on line (1) of Schedule C.

➤Line 2 - **New/Expanded Industry Credit** (A detailed schedule is **required**): A manufacturing company which begins operations so as to increase total full time employment by at least 30% is eligible for this credit. The amount of the credit is 1% of the total wages, as defined in 39-51-201, MCA paid to new employees, and is available during each of the first three years following initiation or expansion of the manufacturing operation. The credit is limited to the year in which it is earned; it can not be carried back or carried over.

➤Line 3 - **Interest Differential Credit** (A detailed schedule is **required**): A public utility or financial institution that lent money, prior to July 1, 1995, to be used for energy conservation purposes, may claim a credit which is the difference between the interest it actually receives and the interest it would have received at the prevailing rate for home improvements loans (15-32-107, MCA). The credit to be claimed by a utility may not exceed \$750,000 per year and the credit claimed by a financial institution may not exceed \$2,000 per year.

➤Line 4 - **Montana Dependent Care Assistance Credit (Form DCAC)**: An employer may claim a credit for amounts paid or incurred for dependent care assistance provided to employees (15-31-131, MCA). This assistance may be in the form of:

- Acquiring, constructing, reconstructing, renovating, or improving real property for the primary use as a day care facility. The credit is the lesser of:
  - ◆\$2,500 times the number of dependents the day-care facility is designed to accommodate.
  - ◆15% of acquisition, construction, reconstruction, renovation, or other improvement cost or
  - ◆ \$50,000
- Providing dependent care assistance to employees that meet the requirements of Internal Revenue Code 26 U.S.C.129(d)(2) through (d)(6). The credit is 25% of the amount paid or incurred by the employer during the taxable year with a limit of \$1,575 per employee.

- Providing information and referral services to assist employees within the state in obtaining dependent care. The credit is 25% of the amount paid or incurred by the employer during the taxable year.

➤Line 5 - **Montana College Contribution Credit (Form CC-CT)**: A credit is allowed in an amount equal to 10% of the aggregate amount of charitable contributions made by the taxpayer during the year to any general endowment funds of the Montana university system foundations or a general endowment fund of a Montana private college or its foundation (15-30-163, MCA). The maximum amount of credit that can be claimed is \$500 per year with no provision for carryback or carryover.

➤Line 6 - **Disability Insurance for Uninsured Montanans Credit (Form HI)**: A credit may be claimed for the disability insurance premiums paid by an employer for his employees (15-31-132, MCA). The credit can be up to \$25 a month for each employee. The maximum credit that can be claimed each year is \$3,000 with no provisions for carryback or carryover.

## Instructions for Schedule C (continued)

### ➤Line 7 - Montana Recycle Credit/Deduction (Form RCYL-CT):

A credit may be claimed for investments in depreciable equipment or machinery used to collect, process or manufacture a product from reclaimed material (15-32-602, MCA) or depreciable property that treats soil contaminated by hazardous wastes (15-32-603, MCA). The credit is a percentage (25% to 5%) of the cost of the property used in Montana, before consideration of trade-in equipment. An exception to this is that the basis shall be reduced by any trade-in which has had this credit previously taken on it. The credit is limited to the current year tax liability with no provisions for carryback or carryover.

➤Line 8 - Alternative Energy Production Credit (Form AEPC): A credit is available to alternative energy producers (15-32-402, MCA). The credit is 35% of the eligible costs associated with the purchase, installation, or upgrading of generating equipment, safety devices and storage equipment, transmission lines necessary to connect with existing transmission facilities, and transmission lines necessary to connect directly to the purchaser of the electricity when no other transmission facilities are available. The credit must first be claimed in the year in which the asset was placed in service; any excess credit may be carried over up to 15 years.

➤Line 9 - Contractor's Gross Receipts Tax Credit: A taxpayer who has paid Public Contractor's Gross Receipts Tax under 15-50-207, MCA may be entitled to a credit for a taxable year within which the net income from contracts subject to the gross receipts tax is reported. After credit for personal property taxes has been deducted, the remaining credit, if any, may be applied to your Corporation License Tax liability. Any excess credit can not be carried back or carried forward.

In support of the Contractors Gross Receipts Tax Credit claimed, you must attach a schedule or statement with the contract name (and number, if any); location; general description (for example: building, road, bridge, etc.); name of awarding agency; name of prime contractor (if subcontractor); and the amount of gross receipts tax paid thereon, as well as the amount which has been applied to personal property taxes. If you report your income from contracts on a percentage of completion basis, the credit must be allocated proportionately.

➤Line 10 - Alternative Fuel Credit: (Form AFRC) (A detailed schedule is required.) A credit is allowed for equipment and labor costs incurred to convert a motor vehicle licensed in Montana to operate on alternative fuel (15-30-164, MCA). The maximum credit is equal to 50% of the equipment and labor costs incurred but may not exceed: \$500 for conversion of a motor vehicle with a gross weight of 10,000 pounds or less; \$1,000 for conversion of a motor vehicle with a gross vehicle weight over 10,000 pounds. The credit must be applied in the year in which the conversion was made; it can not be carried back or carried over.

➤Line 11 - Infrastructure Users Fee Credit: A credit may be claimed for the infrastructure users fee paid to a local government. In order to claim the credit in 17-6-316, MCA the taxpayer must meet the criteria set forth in 17-6-309(2), MCA and pay the infrastructure users fee. A form must be certified by the county, verifying the amount of the infrastructure users fee paid and the timeliness of payment.

➤Line 12 - Qualified Endowment Credit: (Form QEC) 15-31-161, MCA allows a corporation a credit against their corporation license tax for a gift to a qualified charitable endowment. The credit may not exceed your tax liability, is non-refundable and can not be carried back or carried forward. The value of the gift used in calculating the credit may not be claimed as a deduction under 15-31-114, MCA.

<b>NEW</b> Planned Gifts by Entities			
Planned Gift Date	% of Present Value	Max. Credit	
1-1-97 through 12-31-01	50%	\$10,000	
1-1-02 through 8-27-02	40%	\$10,000	
8-28-02 through 6-30-03	30%	\$ 6,600	
7-1-03 through 4-30-04	50%	\$13,400	
Gifts by Eligible Entities			
Qualified Charitable Gift Date	% of Charitable Gift	Max. Credit	
1-1-97 through 12-31-01	50%	\$10,000	
1-1-02 through 8-27-02	20%	\$10,000	
8-28-02 through 6-30-03	13.3%	\$ 6,600	
7-1-03 through 4-30-04	26.7%	\$13,400	

A planned gift is an irrevocable contribution made using any of the following techniques:

Charitable remainder unitrust	Charitable remainder annuity trusts
Charitable lead unitrusts	Charitable lead annuity trusts
Charitable gift annuities	Deferred charitable gift annuities
Charitable life estate agreements	Pooled income fund trusts
Paid-up life insurance policies	

A contribution from a corporation, small business corporation, estate, trust, partnership or limited liability company may be made by means of a planned gift or may be made directly to a qualified endowment.

A qualified Montana endowment means a permanent, irrevocable fund that is held by a Montana organization that:

- is tax exempt under IRC Section 501(c)(3) or
- is a bank or trust company that is holding the fund on behalf of a tax-exempt organization.

For the purpose of this credit the affordable housing revolving loan account established in 90-6-133, MCA is considered a qualified endowment.

**NEW** Attach Form QEC and verification requirements of the planned gift or outright charitable gift made to a qualified endowment. See instructions on form QEC for verification requirements.

➤Line 13 - Historical Buildings Preservation Credit: (Federal Form 3468) Taxpayers may claim a credit for expenditures made in relation to the preservation of certain historic buildings located in Montana. Qualifying historic buildings are those structures defined in Section 47 (c) of the Internal Revenue Code. The allowable Montana credit is 25% of the federal rehabilitation credit provided for in Section 47 (a) (2) of the IRC.

The federal rehabilitation credit is a component of the federal general business credit. No other component of the general business credit may be used to compute the Montana credit for the preservation of historic buildings. Qualifying expenditures used to calculate this credit must be reduced by amounts used in calculating other Montana tax credits or tax incentives.

Montana's Credit for the Preservation of Historic Buildings is a nonrefundable credit, however, unused credit may be carried forward for up to seven years succeeding the year in which the credit is generated. Credit amounts carried forward must be used in the earliest succeeding years. If a taxpayer has generated this credit in more than one tax year, the oldest available credits must be used first.

➤Line 14 - Increase Research and Development Activities Credit: (Form RSCH) A credit is available for increases in qualified research expenses and basic research payments for research conducted in Montana (15-31-150, MCA). The credit is determined in accordance with section 41 of the IRC, 26 U.S.C. 41, with the exception that the applicable rate is 5% for Montana purposes. A completed copy of the form provided by the department must be attached to the return.

Any unused credit cannot be refunded, but may be carried back 2 years and carried forward 15 years.

➤Line 15 - Mineral Exploration Incentive Credit: (Form MINE-CRED) A credit may be claimed for certified expenditures of mining exploration activities (15-32-501), MCA, not to exceed 50% of the corporation tax liability. Certified expenditures represent costs incurred for activities in direct support of exploration activity conducted at a specific exploration site. The credit applies to activities associated with both new mines and mines that are being reopened. A completed copy of the form provided by the department must be attached to the return.

To obtain the credit, the taxpayer must first submit a request that details the work done and the expenses incurred (Form MINE-CERT). This must be done within 60 days following the end of the calendar year on a form provided by the department. The department has until September 30 to certify whether the expenses qualify for the credit.

➤Line 16 - Affordable Housing Revolving Loan Account Contribution Credit (A receipt from the Montana Board of Housing must be attached): A credit may be claimed for contributions made to the affordable housing revolving loan account established under 90-6-133, MCA. The credit is equal to 10% of the amount donated by a corporation to the affordable housing revolving loan account. The maximum credit that may be claimed is \$10,000 and may not exceed your tax liability. There are no carryover provisions allowed for this credit. You are not entitled to this credit if you have claimed the full amount of the contribution as a deduction under 15-31-114, MCA or have taken the contribution as a Qualified Endowment Credit.



# 2002 Corporation License Tax Return

MONTANA  
Form CLT-4  
Rev. 8-02

For calendar year 2002 or tax year beginning \_\_\_\_\_, 2002; ending \_\_\_\_\_, 20\_\_\_\_

Check if Applicable:  <input type="checkbox"/> Initial Return  <input type="checkbox"/> Final Return	Corporation name	FEIN: _____		
	Address	Federal Business Code: _____		
	City	State	Zip + 4	Incorporated in State of: _____

Reporting Method: Cash Accrual Other (please specify)

1. Taxable income per federal return (line 28) (Copy of Federal 1120 Must be Attached).....	1		
2. Add:			
a. Montana Corporation License Tax (Attach breakdown of federal 1120 line 17)..... 2a			
b. Other state, local, foreign, and franchise taxes based on income.....2b			
c. Federal tax exempt interest.....2c			
d. Contributions used to compute charitable endowment credit.....2d			
e. Extraterritorial income exclusion.....2e			
f. Other additions (A Detailed Breakdown Must be Attached).....2f			
Total Additions.....	2		
3. Subtract:			
a. IRC Section 243 dividend received deduction.....3a			
b. Nonbusiness income (A Detailed Breakdown Must be Attached).....3b			
c. Other reductions (A Detailed Breakdown Must be Attached).....3c			
d. Montana recycling deduction (Attach Form RCYL-CT).....3d			
Total Reductions.....	3		
4. Adjusted taxable income (line 1 + line 2 - line 3).....	4		
5. Income apportioned to Montana (line 4X _____% from Schedule K, line 5).....	5		
6. Income allocated directly to Montana (Multi-state taxpayers only; A detailed breakdown MUST be attached).....	6		
7. Montana taxable income before net operating loss (line 5 + line 6 or enter amount reported on line 4).....	7		
If line 7 is a loss, do you wish to forego the net operating loss carryback provision? <input type="checkbox"/> Yes <input type="checkbox"/> No			
*If a loss is reported on line 7 and neither box is checked, the loss must be carried back.			
8. Montana net operating loss carryover (A Detailed Schedule Must be Attached).....	8		
9. Montana taxable income (line 7 - line 8).....	9		
10. Montana tax liability (line 9 X 6.75%)(line 9 X 7% for those corporations electing a water's edge filing).....	10		
Not to be less than the MINIMUM tax liability of \$50 (The minimum tax applies to each corporation with Montana activity) <input type="checkbox"/> Alternative Tax			
11. Subtract:			
a. 2001 overpayment.....11a			
b. Tentative payment.....11b			
c. Quarterly estimated tax payments.....11c			
Total Payments.....	11		
12. Subtract: Credits (from Schedule C).....	12		
13. Tax due (line 10 - line 11 - line 12) Send your payment with the coupon provided in the booklet.....	13		
14. Interest from due date @ 12% per annum.....	14		
15. Estimated tax underpayment interest penalty (attach Form CLT-4UT)..... <input type="checkbox"/> Check box for annualized income or adjusted seasonal income method.....	15		
16. Penalty:			
a. Late Filing Penalty (see instructions).....16a			
b. Late Payment Penalty (see instructions).....16b			
Total Penalty Payment.....	16		
17. Total due or overpayment (line 13 + 14 + 15 + 16).....	17		
18. Overpayment to be credited to 2003 estimated tax.....	18		
19. Refund Due.....	19		

Check here, if you DO NOT need the Montana Corporate License Tax Return and instructions sent to you next year.

### Please Answer All Questions on Page 2 of This Form Declaration

This return must be signed by one of the following: president, vice-president, treasurer, assistant treasurer, or chief accounting officer. I, the undersigned officer of the corporation for which this return is made, hereby declare that this return, including all accompanying schedules and statements; is, to the best of my knowledge and belief, a true correct and complete return, made in good faith for the income period stated, pursuant to the Montana Corporation License Tax law and Regulations.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Name of person or firm preparing return \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_ Telephone number \_\_\_\_\_

Address and Zip Code \_\_\_\_\_ Telephone number \_\_\_\_\_

Attach Remittance Payable to Department of Revenue

Copy of Federal Form 1120 Must be Attached

Preparer's ID# \_\_\_\_\_

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# General Questions

1. Describe in detail, the nature and location(s) of your Montana activities (If necessary, provide the description on an additional page): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yes    No  
\_\_\_\_    \_\_\_\_  
2. Is this the corporation's first return?  
If so, please indicate whether:  
\_\_\_\_\_ New business  
\_\_\_\_\_ Successor to previously existing business  
Enter name, address, and FEIN of previous business:  
\_\_\_\_\_  
\_\_\_\_\_

Yes    No  
\_\_\_\_    \_\_\_\_  
3. Is this the corporation's final return?  
If so, indicate whether:  
\_\_\_\_\_ Withdrawn  
\_\_\_\_\_ Dissolved  
\_\_\_\_\_ Merged  
\_\_\_\_\_ Reorganized  
Date of withdrawal, dissolution, merger, or reorganization: \_\_\_\_\_  
If your status has been changed as a result of dissolution, merger, or reorganization; attach a statement with the details.

Yes    No  
\_\_\_\_    \_\_\_\_  
4. Is this a consolidated / combined return?  
If "yes," Attach a list of all companies and their FEIN included in the return.

Yes    No  
\_\_\_\_    \_\_\_\_  
5. Are you included as a member of a consolidated group for U.S. Consolidated Income Tax Purposes?  
If "Yes," you must attach pages 1 through 4 of the consolidated U.S. Corporation Income Tax Return (Form 1120) and a schedule of gross income and deductions, by company, supporting the consolidated taxable income. If you are a member of an affiliated group of corporations, you **MUST** attach a list of the names of the corporation within the group which files a Montana Corporation License Tax return.

Yes    No  
\_\_\_\_    \_\_\_\_  
6. Have there been any changes to your federal taxable income (Form 1120), due to federal Internal Revenue Service audits, that you have not notified the Department of Revenue about? If "Yes", indicate the most recent taxable year and completion date for which an Internal Revenue Service audit has been completed: \_\_\_\_\_  
\_\_\_\_\_

Yes    No  
\_\_\_\_    \_\_\_\_  
7. Are any statute of limitation waivers currently in force which have been executed with the Internal Revenue Service? If "Yes", which taxable years are covered and what are the expiration dates of the waivers?  
\_\_\_\_\_  
\_\_\_\_\_

Yes    No  
\_\_\_\_    \_\_\_\_  
8. Has an amended federal return been filed for any of the last five (5) taxable years? If "Yes", which taxable year(s) were amended? \_\_\_\_\_  
\_\_\_\_\_

If "Yes" has an amended Montana return been filed? \_\_\_\_\_



Apportionment Factors for Multistate Taxpayers

A. Everywhere	B. Montana	C. Factor (B divided by A = C)
---------------	------------	-----------------------------------

1. **Property Factor:**

Use average value for real and tangible personal property:

Land.....			
Buildings.....			
Machinery.....			
Equipment.....			
Furniture and fixtures.....			
Inventories.....			
Supplies and other.....			
Rents X 8.....			
<b>Total Property.....</b>			<b>%</b>

2. **Payroll Factor:**

Compensation of officers.....			
Salaries and wages.....			
<b>Payroll included in:</b>			
Costs of goods sold.....			
Repairs.....			
Other deductions.....			
<b>Total Payroll.....</b>			<b>%</b>

3. **Sales (Gross Receipts) Factor:**

Gross sales, less returns.....			
Other (attach schedule).....			
<b>Total Sales.....</b>			<b>%</b>

4. Sum of Factors (add lines 1,2,and 3).....  %

5. **Apportionment Factor** (1/3 of line 4; if less than 3 factors exist, see instructions)

(enter here and on line 5, page 1).....  %

Questions Required of Multistate Taxpayers Only:

Yes No 1. Did you at the end of the taxable year own, directly or indirectly, 50% or more of the outstanding voting  
 \_\_\_ \_\_\_ stock of a domestic corporation? If "Yes," attach a schedule showing name, address, and percentage owned.

Yes No 2. Were you a U.S. shareholder of any controlled foreign corporation?  
 \_\_\_ \_\_\_ If "Yes," you must attach a schedule showing name, address, and percentage owned.

Yes No 3. Did any individual, partnership, corporation, estate, or trust at the end of the taxable year own, directly or  
 \_\_\_ \_\_\_ indirectly, 50% or more of your voting stock? If "Yes," you must attach a schedule showing name, address,  
 and percentage owned.

Yes No 4. If the answer to question 3 is "Yes," did the same individual, partnership, corporation, estate, or trust at the end  
 \_\_\_ \_\_\_ of the taxable year also own, directly or indirectly, 50% or more of the voting stock of another (brother-sister)  
 corporation? If "Yes," you must attach a schedule of the other corporate entity(ies).

5. Check Applicable Filing Method: (Please note: Combined filings are required for all members of a "unitary" group.)

- \_\_\_\_\_ Separate Company Apportionment
- \_\_\_\_\_ Separate Accounting
- \_\_\_\_\_ Worldwide Combination
- \_\_\_\_\_ Domestic Combination
- \_\_\_\_\_ Limited Combination
- \_\_\_\_\_ Water's Edge Return (MUST have a valid election)

**Schedule C:**

**FEIN:**

**Year** \_\_\_\_\_

Type of Credit		Amount of Credit	
1.	Montana Capital Company Credit		
2.	New/Expanded Industry Credit		
3.	Interest Differential Credit		
4.	Montana Dependent Care Assistance Credit .....attach Form DCAC		
5.	Montana College Contribution Credit .....attach Form CC-CT		
6.	Disability Insurance for Uninsured Montanan's Credit .....attach Form HI		
7.	Montana Recycle Credit ..... attach Form RCYL-CT		
8.	Alternative Energy Production Credit .....attach Form AEPC		
9.	Contractor's Gross Receipts Tax Credit		
10.	Alternative Fuel Credit .....attach Form AFCR		
11.	Infrastructure Users Fee Credit		
12.	Qualified Endowment Credit .....attach Form QEC		
13.	Historical Buildings Preservation Credit .....attach Federal Form 3468		
14.	Increase Research and Development Activities Credit .....attach Form RSCH		
15.	Mineral Exploration Incentive Credit .....attach Form MINE-CRED		
16.	Affordable Housing Revolving Loan Account Contributions Credit		
<b>Total Credits</b> (enter here and on line 12 of the CLT-4)			

**Note:** To receive these credits, the prescribed Corporation Tax forms (form numbers are noted above) or a detailed schedule must be attached with this schedule to your CLT-4.

Send completed Montana Corporation License Tax returns to the following address:

Montana Department of Revenue  
Post Office Box 5805  
Helena, MT 59604-5805

<b>Corporation License Tax - Form Description</b>	<b>Form #</b>	<b>Quantity</b>
Montana Corporation License Tax Return <u>with</u> instructions	CLT-4	
Montana Corporation License Tax Return <u>without</u> instructions	CLT-4	
Montana Small Business Corporation Information Return	CLT-4S	
Amended Corporation License Tax Return	CLT-4X	
Underpayment of Estimated Tax	CLT-4-UT	
Montana Dependent Care Assistance Credit	DCAC	
Montana College Contribution Credit	CC-CT	
Disability Insurance for Uninsured Montanan's Credit (Employer)	HI	
Montana Recycling Credit/Deduction	RCYL-CT	
Alternative Energy Production Credit	AEPC	
Affidavit of Corporate Inactivity	ACI-CT	
Application to be considered a Research and Development Firm	RDF-CT	
Credit for Increasing Research Activities	RSCH	
Certification of Expenditures for Mineral Exploration Incentive Credit	MINE-CERT	
Mineral Exploration Incentive Credit	MINE-CRED	
Scannable Payment Coupon	Form CT	
Qualified Endowment Credit	Form QEC	

All Corporation License Tax Forms, listed above, may be received by calling the Forms Distribution Center at (406) 444-6900; through e-mail, the address is [jpurcell@state.mt.us](mailto:jpurcell@state.mt.us); via the internet, download our forms at [www.discoveringmontana.com/revenue](http://www.discoveringmontana.com/revenue); or by sending a copy of this order form to the address listed on page 3 of this booklet.

**Please send the forms requested above to:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

<b>Important Numbers</b>	
Assistance and Help Line	(406) 444-6900
Forms Request	(406) 444-6900
Fax	(406) 444-2900
<b>These are not toll free numbers</b>	

Make any necessary corrections to the label below and attach to your  
2002 Montana CLT-4

Montana Department of Revenue  
Post Office Box 5805  
Helena, MT 59604-5805

PRSRT STD  
U.S. POSTAGE  
PAID  
MONTANA DEPARTMENT  
OF REVENUE

No Return