

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