Clear Form

2007 Montana Elderly Homeowner/Renter Credit

MONTANA Form 2EC

File alone or with your Form 2 or Form 2M. Free electronic filing is available at mt.gov/revenue. ✔

Amended Return ❑ Check the box above if this is an amended return.

Your first name and initial	Last name	Your social security number	If deceased, date of death
Spouse's first name and initial	Last name	Spouse's social security number	If deceased, date of death
Mailing address		City	State Zip+4

Part I – Qualifications

Yes	No	
❑	❑	I was age 62 or older as of December 31, 2007.
❑	❑	I occupied a Montana residence as an owner or renter for a total of six months or more during 2007.
❑	❑	I resided in Montana for nine months or more during 2007.
❑	❑	My gross household income was less than $45,000 in 2007.

If you answered "No" to any of the four statements above, you are not eligible for this credit.

Part II – Household Income

1. Enter your total household income received from wages, fees, bonuses, capital gains, dividends, interest, and other ordinary income. Do not include your losses in this total .... 1.
2. Enter your total household income from a business, partnership, rent, royalties, etc. Do not include your losses in this total .... 2.
3. Enter your total household interest income from federal, state, county and municipal bonds .... 3.
4. Enter any alimony, public assistance, unemployment, state and federal tax refunds, prior year 2EC refunds, and other income that your household received during the year .... 4.
5. Enter your total household pension, annuities, IRA distributions, benefits from railroad retirement, public employee's retirement, veteran's disability and social security .... 5.
6. Add lines 1 through 5 and enter the result here. If the sum is greater than $45,000, stop here, because you do not qualify for the elderly homeowner/renter credit. **This is your gross household income.** .... 6.
7. Entered here for you is your standard exclusion 7. $6,300
8. Subtract line 7 from line 6 and enter result here, but not less than zero. **This is your total household income.** 8.

Part III – Credit Computation

9. If you are a homeowner, enter the property tax that you were billed for 2007. This includes fees, special assessments, and SIDs on your residence and land not to exceed one acre. **This is your property tax billed.** 9.
10. If you rent your residence, enter the rent that you paid in 2007 for this residence .... 10.
11. Multiply line 10 by .15 (15%) and enter the result here. **This is your rent equivalent tax paid.** .... 11.
12. Add lines 9 and 11 and enter the result here .... 12.
13. Enter your total household income reported on line 8 .... 13.
14. Enter your multiplier rate from the Household Income Reduction Table located on the reverse side of Form 2EC .... 14.
15. Multiply line 13 by line 14 and enter the result here. **This is your net household income.** .... 15.
16. Subtract line 15 from line 12 and enter the result here. If the amount is zero or less, stop here. You cannot take the elderly homeowner/renter credit .... 16.
17. Enter the lesser of line 16 or $1,000 .... 17.

If your gross household income reported on line 6 is less than $35,000, skip line 18 and enter the amount from line 17 on line 19 below.

18. If your gross household income reported on line 6 is $35,000 or more, enter on line 18 the percentage multiplier listed below that corresponds to your gross household income reported on line 6 .... 18.

If the amount on line 6 is	then	enter this percentage amount on line 18
$35,000 - $37,500		0.40 (40%)
$37,501 - $40,000		0.30 (30%)
$40,001 - $42,500		0.20 (20%)
$42,501 - $44,999		0.10 (10%)
$45,000 and over		0.00 (00%)

19. Enter the amount from line 17, or where applicable, multiply line 17 by the percentage reported on line 18 and enter result here. **This is your elderly homeowner/renter credit.** .... 19.

- If you are filing Montana Form 2, enter on Form 2, Schedule V, line 28, the amount on line 19 above.
- If you are filing Montana Form 2M, enter on Form 2M, Schedule II, line 9, the amount on line 19 above.
- If you are not required to file Montana Form 2 or 2M, see instructions on the back of this form.

❑ Do not mail 2008 forms and instructions

If you wish to use direct deposit, enter your financial instiitution's RTN# and ACCT# below. See instructions.

RTN# ACCT# ❑ Checking ❑ Savings

Name, address and telephone number of paid preparer — Preparer SSN or FEIN

May the DOR discuss this return with your tax preparer? ❑ Yes ❑ No Questions? Call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.

X			X	
Your signature is required	Date	Daytime telephone number	Spouse's signature	Date

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

What is the Montana elderly homeowner/renter credit and how can I determine if the credit is available to me?

The Montana elderly homeowner/renter credit is a property tax relief program that provides you with a refundable credit if you are age 62 or older, have resided in Montana for at least nine months during the year, occupied a Montana residence for at least six months during the year, and your gross household income is less than $45,000.

How can I find out more about this credit?

If you need additional information on this credit or other tax issues, you can call us at (406) 444-6900 or TDD (406) 444-2830, or visit our website at *mt.gov/revenue*.

If I am filing my income tax return electronically, do I have to send a copy of my property tax bill or rent receipts?

You do not need to send us your property tax bill or rent receipts. When you file electronically, you represent that you have competed Form 2EC and have all required documentation.

Instructions

Please write your name, address, and social security number in the space provided near the top of the form. If you are married, also enter your spouse's name and social security number. If either spouse is deceased during the claim year, enter the date of death in the appropriate box. If you are filing this credit with your Montana income tax return, Form 2 or Form 2M, enter the name, address and social security number as it appears on your Form 2 or Form 2M.

Part I - Qualifications

You will need to answer all four statements before you apply for your elderly homeowner/renter credit. If you answer *yes* to *all* of these statements, you are eligible for this credit and you should continue to complete this form. Any *no* answer means that you are not eligible for the credit.

- Age 62 test – If you are married and both spouses own or rent your residence, only one of you have to meet the age requirement.
- Nine month test – If you are the personal representative of the estate of an eligible individual who died during the year, you cannot claim this credit if that individual died before October 1, 2007. If you are married filing this return with your spouse, and if your spouse, who would have been the only eligible individual, dies before October 1, 2007, you cannot claim this credit. You can claim this credit only if, as a surviving spouse, you are age 62 or older and you can continue to answer *yes* to the remaining three questions.
- Six month test – You can answer *yes* to this question as long as you have occupied one or more residences as an owner and/or renter during the year.
- Gross household income – Your gross household income includes all income received by individuals in the household.

Part II - Household Income

Enter your total household income on lines 1 through 5. Your total household income is all the income received, taxable and nontaxable, by all individuals who live in your household. In addition to federal adjusted gross income, the following are examples of items which are included in household income:

- Inheritances
- Pension and annuity income (this includes railroad retirement and veteran's disability benefits)
- Any capital gains that you excluded from your Montana adjusted gross income
- Alimony and support payments
- Nontaxable strike benefits
- Cash public assistance and relief
- Interest on federal, state, county, and municipal bonds
- All social security payments except those paid directly to a nursing home
- Federal income tax refunds
- State income tax refunds and elderly homeowner/renter credits allowed

Some items above may involve a basis. If applicable, you may reduce your income by the basis. Do not reduce your household income by any losses that you included in your federal adjusted gross income.

Part III - Credit Computation

You will need to attach a copy of your 2007 property tax bill and/or your signed rent receipts.

Line 9 – Property Tax Billed. Your property tax billed is your November, 2007 property tax statement of taxes assessed against your home and it includes your special assessments and fees. Do not include any amounts assessed for prior years but paid during 2007.

You are allowed only the property tax billed on your primary residence and up to one-acre of land that is associated with this residence. If the one-acre farmstead or primary acre is not separately identified on your tax bill and if your ownership is less than 20 acres, you can calculate your credit by dividing the total amount of property tax billed on the land by the total acres in order to arrive at your property tax billed.

If your property tax bill is on property that you held in a revocable trust and if you are the grantor(s) and trustee(s) of that property, you can qualify for this credit. If your property taxes are billed to your living trust or life estate, you can qualify for this credit. Property tax that is billed to an irrevocable or family trust qualifies as rent only.

Line 10 – Rent Equivalent Paid. Your rent is only the amount of money that you paid to occupy your home. It does not include amenities such as meals, housekeeping, nursing care, etc. If you live in a health care, long-term care, personal care or residential care facility, the rent allowed is the actual out of pocket rent that you paid. If the facility does not provide you with an adequate breakdown between your *rent* and *amenities*, your rent is limited to $20 a day and it cannot exceed $7,300 a year.

Household Income Reduction Table
If your household income on line 8 is:

At least	But not more than	Your multiplier is	At least	But not more than	Your multiplier is
$0	$1,999	0.000	$7,000	$7,999	0.035
$2,000	$2,999	0.006	$8,000	$8,999	0.039
$3,000	$3,999	0.016	$9,000	$9,999	0.042
$4,000	$4,999	0.024	$10,000	$10,999	0.045
$5,000	$5,999	0.028	$11,000	$11,999	0.048
$6,000	$6,999	0.032	$12,000	and over	0.050

Direct Deposit

If you want your refund to be deposited directly, enter your financial institution's routing and account numbers. If either the routing number or account number is incorrect, we cannot credit your account. If your direct deposit is returned to us, we will mail you a check.

NEW **File your Form 2EC electronically!** If you are not required to file Montana Form 2 or Form 2M, you can now file your Form 2EC at our website, *mt.gov/revenue*.

If you choose not to file electronically and you are not required to file Montana Form 2 or Form 2M, please mail your Form 2EC to Department of Revenue, PO Box 6577, Helena, MT 59604-6577