



2000 Individual Income Tax Worksheets

Attach This Form To Your Return

Worksheet I - IRA Deduction

If you filed jointly on your federal tax return and separately (filing status 3, 4, or 5) on your Montana return, your deductible IRA for Montana purposes may be less than the amount allowed on your federal return.

If during the tax year, neither spouse was covered by a retirement plan where they worked, Montana and federal IRA deductions will be the same (maximum \$2,000 per spouse). If part of your IRA deduction is attributable to the IRA of a nonworking spouse, that amount must be added back on line 23 in the column of the nonworking spouse.

If during the tax year, both spouses were covered by a retirement plan where they worked, complete both columns of the worksheet below to determine if there is a difference between allowable federal and Montana IRA deductions.

Beginning in 1998, if one spouse was covered by a retirement plan at work and the other spouse was not covered by a plan during the tax year, complete the column of the worksheet below corresponding to the spouse that was covered by a retirement plan. The spouse who was not covered by a retirement plan does not need to complete the worksheet and may deduct his or her IRA contributions not to exceed \$2,000.

IRA Worksheet

	Column A	Column B
1. Phase out amount	\$10,000	\$10,000
2. Enter your federal adjusted gross income before federal IRA contributions.		
3. Subtract line 2 from line 1		
4. Maximum allowable IRA deduction. Multiply line 3 by 20% (.20). If the result is less than \$200, but more than zero, enter \$200	X .20	X .20
5. Enter IRA amount from line 19, Form 2		
6. Enter lesser of line 4 or line 5		
7. Subtract line 6 from line 5 and enter this amount on line 23, Form 2. This is the nondeductible portion of your IRA for Montana purposes.		

If you are married, filing separate returns and lived apart from your

Worksheet II - Tax Benefit Rule (Taxable Refunds and Reimbursements)

	Column A	Column B
1. Total of all federal income tax refunds received. Do not include EIC.....	1.	
2. All refunds and reimbursements of previously deducted itemized deductions Example: In 1999 you deducted medical expenses not covered by insurance. In 2000 your insurance company determines that a portion of the denied expenses should have been paid by them. They send you a check. This amount may be taxable because you claimed it as an expense paid by you in the prior tax year.	2.	
3. Add lines 1 and 2 above.....	3.	
4. Montana Itemized deductions for prior year. If you took the standard deduction, stop here. None of the refund is taxable.....	4.	
5. Enter prior year's MT Adjusted Gross Income.....	5.	
6. If you are filing single or married filing separately, multiply line 5 by 20% (.20) and enter here. If this amount is less than \$1,340, enter \$1,340. If more than \$3,020, enter \$3,020. If you are filing a joint return or filing as head of household, multiply line 5 by 20% and enter here. If this amount is less than \$2,680, enter \$2,680. If more than \$6,040, enter \$6,040...	6.	
7. Subtract line 6 from line 4. If the result is zero, stop here. The amount on line 3 is not taxable.....	7.	
8. Enter the smaller of line 3 or line 7.....	8.	
9. Montana taxable income from prior year.....	9.	
10. Enter the following amount on Form 2, line 22. If line 9 is: Zero or more, enter the amount from line 8. If less than zero, add lines 8 and 9 and enter the net amount (but not less than zero).....	10.	

Worksheet III - Qualifying Capital Gain Exclusion

Capital Gain Exclusion Worksheet - If you had an installment sale(s) of a capital asset(s) which you entered into before January 1, 1987 you may be able to take a capital gain exclusion of 40%. Compute your exclusion on the worksheet below.

If Federal Schedule D line 17 is negative, you are not allowed a capital gain exclusion. Do not proceed any further.

	Column A	Column B
1. Add the amounts from Federal Schedule D lines 11 and 12 which pertain to installment sales entered into before January 1, 1987, and enter here.....	1.	
2. Add the amounts from Federal Schedule D lines 7(f) and 16(f) and enter here.....	2.	
3. Divide line 1 by line 2.	3.	%
4. Enter the amount from line 17 of Federal Schedule D, but not less than zero.....	4.	
5. Multiply the amount on line 4, times the % on line 3: _____ x _____ %	5.	
6. Multiply amount on line 5 times 40% (.40). This is your Montana capital gains exclusion. Enter on line 26 of Montana Form 2.....	X .40	X .40

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Worksheet IV - Pension and Annuity Exclusion

Column A Column B

Note: Short Form filers use column A only.

1. Enter your federal adjusted gross income from line 20 of Form 2. 1. _____
2. Phase-out limitation. 2. 30,000 30,000
3. If line 1 is smaller than line 2, enter on Form 2 line 29: the smaller of (a) pension and annuity income or (b) \$3,600 for each person who has pension and annuity income. Stop Here, you do not need to complete the remainder of this worksheet. If line 1 is larger than line 2, subtract line 2 from line 1 and enter the result. 3. _____
4. Fill Out Only One.
If your filing status is:
 - a. Single or Joint and only one has pension and annuity income; enter your taxable pension and annuity income or \$3,600, whichever is smaller. 4a. _____
 - b. Married Filing Separately; enter 1) each spouse's taxable pension and annuity income, or 2) \$3,600 in columns A and B whichever is smaller. 4b. _____
 - c. Joint and both spouses have pension and annuity incomes: 1st, enter each spouse's taxable pension and annuity income or \$3,600, whichever is smaller, on the following lines: (His) _____ (Hers) _____; 2nd, enter the total of the two lines. 4c. _____
5. Multiply the amount on line 3 times two and enter the result. 5. _____
6. Pension and annuity exclusion. Subtract line 5 from line 4a, 4b or 4c, whichever applies to you. If the result is zero or negative, you are not eligible for an exclusion. If the number is positive, this is your exclusion. Transfer this number to line 29 on Form 2. 6. _____

Worksheet V - Standard Deduction

Column A Column B

Note: Short Form filers use column A only.

1. Enter amount from line 37 of Form 2. (Line 21 of Form 2S) 1. _____
2. Enter 20% (.20) of line 1. 2. _____
3. Enter the amount from below that corresponds to your filing status:

Joint or Head of Household
(filing status 2 or 6): \$6,260

Single or separate (filing
status 1,3,4, or 5): \$3,130 3. _____
4. Enter the amount from line 2 or line 3, whichever is smaller. 4. _____
5. Enter the amount from below that corresponds to your filing status:

Joint or Head of Household (filing status 2 or 6): \$2,780

Single or separate (filing status 1,3,4 or 5): \$1,390 5. _____
6. Enter the amount from line 4 or line 5, whichever is larger. This is your standard deduction. Transfer this amount to line 38, Form 2. (line 22a, Form 2S) 6. _____

If Taxable Income is:

TAX TABLE

If Taxable Income is:

Over	But not over	Multiply by	and Subtract = Tax	Over	But not over	Multiply by	and Subtract = Tax
\$ 0	\$ 2,100	X 2 %	\$ 0	\$16,700	\$20,800	X 7 %	\$ 438
\$ 2,100	\$ 4,200	X 3 %	\$ 21	\$20,800	\$29,200	X 8 %	\$ 646
\$ 4,200	\$ 8,300	X 4 %	\$ 63	\$29,200	\$41,700	X 9 %	\$ 938
\$ 8,300	\$12,500	X 5 %	\$ 146	\$41,700	\$73,000	X 10 %	\$ 1,355
\$12,500	\$16,700	X 6 %	\$ 271	\$73,000	X 11 %	\$ 2,085	

Example = taxable income \$24,000 x 3% (.03) = \$720 subtract \$21 = \$51 tax

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Worksheet VI - Itemized Deduction Worksheet

	Column A	Column B
1. Enter the amount from Form 2A, line 90a (Total itemized deductions).	1. _____	_____
2. Add the amounts on Form 2A, lines 68, 71, 72, 73a, 73b, 74, 75, 79, 81, 82, and 89	2. _____	_____
3. Subtract line 2 from line 1. (If the result is zero, enter the amount from line 1 above on Form 2, line 38.) <u>Stop Here.</u> You do not need to complete this worksheet.	3. _____	_____
4. Multiply amount on line 3 above by 80% (.80).	4. _____	_____
5. Enter the amount from Form 2, line 37.	5. _____	_____
6. Enter \$128,950 (\$64,475 if married filing separately, even if filing on the same form)	6. _____	_____
7. Subtract line 6 from line 5. (If the result is zero or less, enter the amount from line 1 above on Form 2, line 38.) <u>Stop Here.</u> You do not need to complete this worksheet.	7. _____	_____
8. Multiply line 7 by 3% (.03).	8. _____	_____
9. Compare the amounts on lines 4 and 8 above. Enter the <u>smaller</u> of the two amounts here and on Form 2A, line 90b.	9. _____	_____

Worksheet VII - Calculation of Underpayment Penalty for Failure to Make Estimated Payments

Underpayment Penalty of Estimated Tax

In 2000 you must have paid through estimated installments or a combination of withholding and estimated installments the smaller of 1) 90% of your current year's tax liability after credits, or 2) an amount equal to 100% of your previous year's total tax liability. Payments made with extensions are not considered estimated payments. If you do not meet this requirement, you may be subject to an underpayment penalty. You may use the short method to figure your penalty only if:

- You made no estimated tax payments (or your only payments were Montana withholding); or
- You paid estimated tax in four equal amounts by the due dates.

If you cannot use the short method call the department at (406) 444-6900 to request an underpayment penalty form (EST-P).

Note: A taxpayer who derives at least 2/3 of gross income from farming or ranching is not subject to estimated tax. Montana law does not provide for a "lookback" to the previous year when determining if a taxpayer is a qualifying farmer or rancher.

Short Method

1. Enter your 2000 tax from line 53 on Form 2 or line 31 on Form 2S. (Total liability if married filing separately on the same form). _____
2. Enter 90% of line 1 above. _____

3. Enter your total withholding, amount credited from prior year's tax and Elderly Homeowner/Renter Credit from line 58 on Form 2 or line 34 on Form 2S. (If married filing separately enter the total payments). _____
4. Subtract line 3 from line 1. If the result is \$500 or less, do not complete the rest of the form. You do not owe the underpayment penalty. _____
5. Enter your 1999 tax (Line 53 of 1999 Form 2 or line 31 on 1999 Form 2S). If married filing separately enter the total tax. _____
6. Enter the smaller of line 2 or line 5. _____
7. Enter the amount from line 3 plus any estimated payments made. _____
8. Total underpayment for the year. Subtract line 7 from line 6. If zero or less, stop here. You do not owe the underpayment penalty. _____
9. Multiply line 8 by .05986. This is your Underpayment Penalty for 2000. Enter here and on line 63 of Form 2 or line 37 on Form 2S. _____

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Worksheet VIII - Taxable Social Security

The portion of your social security benefits taxable to Montana may be different than what is taxable to federal.

NOTE: None of your benefits are taxable to Montana if:

- A. The only retirement you receive is Railroad Retirement income, or
B. Your federal adjusted gross income plus all exempt income and social security income is less than:
1. \$32,000 if you are filing a joint return;
2. \$25,000 if you file a single/head of household return
3. \$16,000 if you are filing married filing separate.

If you fall into one of the above categories, enter any benefits taxable to federal on line 34 of Form 2. Do not fill out this form.

Filing Status Check One: 1 Single, 2 Married filing joint return, 3 Married and both filing separate returns on this form, 4 Married and both filing separate returns on separate forms, 5 Married filing separate return and spouse is not filing, 6 Head of Household

Table with columns for COLUMN A (For single, joint, separate or head of household) and COLUMN B (For spouse only when filing separate and box 3 is checked). Rows include Federal adjusted gross income, Subtractions (social security, capital gain, exempt retirement), Additions (interest, federal refund), and final calculations for taxable social security benefits.