

2006

Montana Individual Income Tax Return

MONTANA Form 2M

Calendar year income tax return for a Montana resident filing as single, jointly, or head of household.

Amended Return section with checkboxes and fields for names, social security numbers, and address.

Filing Status (check only one box) 1. Single 2. Married filing jointly 3. Head of Household

4. Resident full year (Only to be used by full year Montana residents. Nonresidents and Part-Year residents must use Form 2.)

Exemptions section with checkboxes for self/spouse and dependent table with columns for name, SSN, relationship, and disabled.

Federal Adjusted Gross Income section with lines 6 through 20 for various income types and adjustments.

Montana Adjusted Gross Income section with lines 21 through 35 for state-specific adjustments and subtractions.

Schedule I: Montana Form 2M Itemized Deductions

Enter your itemized deductions on the corresponding line.

This schedule should be filed with your Montana Form 2M.

Medical and Dental Expenses	1. Medical and dental expenses	1.	
	2. Enter amount from Form 2M, line 35	2.	
	3. Multiply line 2 by .075 (7.5%).....	3.	
	4. Subtract line 3 from line 1 and enter result here but not less than zero. This is your deductible medical and dental expense subject to 7.5% of Montana AGI.	4.	
	5. Medical insurance premiums not deducted elsewhere on your return.....	5.	
	6. Long term care insurance premiums not deducted elsewhere on your return.....	6.	
Taxes You Paid	Complete lines 7a through 7d reporting your total federal income tax payments made in 2006 before completing line 7e.		
	7a. Federal income tax withheld in 2006	7a.	
	7b. Federal estimated tax payments paid in 2006	7b.	
	7c. 2005 federal income taxes paid in 2006	7c.	
	7d. Other back year federal income taxes paid in 2006.....	7d.	
	7e. Add lines 7a through 7d and enter result here, but not more than \$5,000 if you are filing single, or head of household, or \$10,000 if filing a joint return with your spouse. This is your federal income tax deduction.	7e.	
	8. Real estate taxes paid in 2006.	8.	
	9. Personal property taxes paid in 2006.	9.	
	10. Other deductible taxes. List type and amount:	10.	
	Interest You Paid	11. Home mortgage interest and points reported to you on federal Form 1098	11.
12. Home mortgage interest not reported to you on federal Form 1098. If paid to the person from whom you bought the house, provide name, SSN, and address:			
13. Points not reported to you on federal Form 1098		13.	
14. Investment interest. Attach federal Form 4952		14.	
Gifts	15. Contributions made by cash or check during 2006.....	15.	
	16. Contributions made other than by cash or check.....	16.	
	17. Contribution carryover from the prior year	17.	
Job Expenses and Certain Miscellaneous Deductions	18. Child and dependent care expenses. Attach Montana Form 2441M	18.	
	19. Casualty and theft loss(es). Attach federal Form 4684	19.	
Job Expenses and Certain Miscellaneous Deductions	20. Unreimbursed employee business expenses. Attach federal Form 2106 or 2106EZ	20.	
	21. Other expenses. List type and amount:	21.	
	22. Add lines 20 and 21 and enter the result here	22.	
	23. Enter the amount on Form 2M, line 35 here	23.	
	24. Multiply line 23 by .02 (2%) and enter the result here.....	24.	
	25. Subtract line 24 from line 22 and enter the result here, but not less than zero	25.	
	26. Political contributions (limited to \$100 per taxpayer)	26.	
27. Other miscellaneous deductions not subject to 2% of Montana AGI. List type and amount:	27.		
Total Itemized Deductions	28. Add lines 4 through 6; 7e through 19; and 25 through 27 and enter the result here	28.	
	29. Enter the amount from the itemized deduction Worksheet VI, line 9. This is the amount of your non-allowed itemized deductions.	29.	
	30. Subtract line 29 from line 28 and enter the result here and on Form 2M, line 37. These are your allowable itemized deductions.	30.	

Schedule II: Montana Form 2M Tax Credits

Enter your Montana tax credits on the corresponding line.
File Schedule II with your Montana Form 2M.

Nonrefundable Single-year Credits	Nonrefundable credits are single-year credits and HAVE NO carryover provision.	
	1. College contribution credit. Attach Form CC.	1. <input style="width: 100px;" type="text"/>
	2. Energy conservation installation credit. Attach Form ENRG-C.	2. <input style="width: 100px;" type="text"/>
	3. Elderly care credit. Attach Form ECC.	3. <input style="width: 100px;" type="text"/>
	4. Developmental disability account contribution credit.	4. <input style="width: 100px;" type="text"/>
5. Add lines 1 through 4 and enter the result here and on Form 2M, line 44. These are your total nonrefundable single-year credits.		5. <input style="width: 100px;" type="text"/>
Nonrefundable Carryover Credits	Nonrefundable credits HAVE a carryover provision that allows you to carry forward the unused portion of your credit to future tax years.	
	6. Alternative energy systems credit. Attach Form ENRG-B and enter the amount on Form 2M, line 45. This is your total nonrefundable carryover credit.	6. <input style="width: 100px;" type="text"/>
Refundable Credits	Refundable credits are applied against your income tax liability with any remaining balance refunded to you.	
7. Elderly homeowner/renter credit. Attach Form 2EC and enter the amount on Form 2M, line 51. This is your elderly homeowner/renter credit.	7. <input style="width: 100px;" type="text"/>	

Montana Tax Credits

We have listed 6 credits that can be used when filing Montana Form 2M. However, the Montana legislature has authorized 28 different income tax credits. See Montana Form 2, Schedule V for a list and description of these 28 tax credits that are available. If you are eligible for any of the other credits not listed above, you will have to file Montana Form 2 instead of Form 2M.

There are three categories of credits available to you on your Montana individual income tax return. With the exception of the capital gains tax credit, which is required to be applied before any other credit, (refer to the instructions for Form 2M, line 42) you are not required to apply any of these 6 tax credits against your income tax liability in any particular order.

- **Nonrefundable single-year credits.** Your nonrefundable single-year credits can only be used to offset your 2006 resident tax after capital gains credit and cannot reduce

your tax liability below zero. The unused portion of your nonrefundable single-year credits that exceeded your 2006 income tax liability are lost and are unable to be used in future years.

- **Nonrefundable carryover credits.** Your nonrefundable carryover credit can be used to offset your 2006 resident tax after capital gains credit and cannot reduce your tax liability below zero. Your excess nonrefundable credit that is not applied against your 2006 income tax liability can be carried over and used to offset future year tax liabilities.
- **Refundable credits.** Your refundable elderly homeowner/renter credit is applied against your income tax liability with any unused credit refunded to you.

Standard Deduction Worksheet for Form 2M

1. Enter your Montana adjusted gross income from Form 2M, line 35 here.	1. <input style="width: 100px;" type="text"/>
2. Multiply the amount on line 1 by .20 (20%) and enter the result here.	2. <input style="width: 100px;" type="text"/>
3. Enter the amount below that corresponds to your filing status here.	3. <input style="width: 100px;" type="text"/>
<ul style="list-style-type: none"> • If your filing status is single (filing status 1) enter \$3,710. This is your maximum standard deduction. • If you filing status is joint (filing status 2) or head of household (filing status 3) enter \$7,420. This is your maximum standard deduction. 	
4. Enter the amount from line 2 or 3, whichever is smaller.	4. <input style="width: 100px;" type="text"/>
5. Enter the amount below that corresponds to your filing status.	5. <input style="width: 100px;" type="text"/>
<ul style="list-style-type: none"> • If your filing status is single (filing status 1) enter \$1,650. This is your minimum standard deduction. • If your filing status is joint (filing status 2) or head of household (filing status 3) enter \$3,300. This is your minimum standard deduction. 	
6. Enter here and on Form 2M, line 37, the amount from lines 4 or 5, whichever is larger. This is your standard deduction.	6. <input style="width: 100px;" type="text"/>

2006 Montana Individual Income Tax Table

If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax	If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax
\$ 0	\$ 2,400	0.010	\$ 0		\$ 8,800	\$ 11,300	0.050	\$ 220	
\$ 2,400	\$ 4,300	0.020	\$ 24		\$ 11,300	\$ 14,500	0.060	\$ 333	
\$ 4,300	\$ 6,500	0.030	\$ 67		\$ 14,500	or more	0.069	\$ 464	
\$ 6,500	\$ 8,800	0.040	\$ 132						

For example: Taxable income \$4,500 X .03(3%) = \$135.

\$135 minus \$67 = \$68 tax