

Worksheet III - Qualified Capital Gain Exclusion

If you had an installment sale(s) of a capital asset(s) that you entered into before January 1, 1987, you may be eligible for a 40% capital gain exclusion. Complete Worksheet III to determine the amount of your capital gain exclusion.

		Column A (for single, joint, separate, or head of household) ▼	Column B (for spouse when filing separately using filing status 3a) ▼
1	Enter the total amounts from your federal Schedule D, lines 11 and 12, that pertain to installment sales entered into before January 1, 1987. ▶	1	1
2	Enter the total amounts from federal Schedule D, lines 7 and 15. ▶	2	2
3	Divide line 1 by line 2 and enter the percentage here as a decimal. ▶	3	3
4	Enter the amount from federal Schedule D, line 16, but not less than zero. ▶	4	4
5	Multiply the amount on line 4 by the percentage (%) on line 3. ▶ <input type="text"/> X <input type="text"/> % ▶	5	5
6	Multiply the amount on line 5 times 40% (0.40). Enter here and on Form 2, Schedule II, line 28. This is your Montana capital gain exclusion. ▶	6	6

Worksheet IV - Partial Pension and Annuity Income Exemption

If you have reported taxable pension and annuity income on your Form 2, line 16b, or certain IRA distributions on Form 2, line 15b, you may be entitled to a partial exemption of this income. Complete Worksheet IV to determine the amount of your pension and annuity income exemption.

Early distributions which required payment of the federal 10% additional tax do not qualify. Subtract any non-qualifying distribution(s) from Form 2, line 15b before reporting amounts on this worksheet.

If you receive Tier II Railroad Retirement benefits, see the instructions for Form 2, Schedule II, line 23 on page 30.

		Column A (for single, joint, separate, or head of household) ▼	Column B (for spouse when filing separately using filing status 3a) ▼
1	Enter your federal adjusted gross income from Form 2, line 37 here. ▶	1	1
2	Federal adjusted gross income limitation amount. ▶	2	2
If line 1 is smaller than line 2, enter on Form 2, Schedule II, line 11 the smaller of your pension and annuity income, or \$3,600 for each person who has pension and annuity income. Stop here; do not complete the remainder of this worksheet.			
3	If line 1 is larger than line 2, subtract line 2 from line 1 and enter the result here. ▶	3	3
4	Fill out only one of the following. If your filing status is:		
4a	Single or jointly and only one spouse has pension and annuity income. Enter the smaller of that spouse's taxable pension and annuity income or \$3,600. ▶	4a	
4b	Married filing separately. Enter the smaller of each spouse's taxable pension and annuity income or \$3,600 in columns A and B. ▶	4b	4b
4c	Joint and both spouses have pension and annuity income. Enter the smaller of each spouse's taxable pension and annuity income or \$3,600 in the following space: his ▶ <input type="text"/> hers ▶ <input type="text"/> Add together his and hers; enter total in Column A, line 4c. ▶	4c	
5	Multiply the amount on line 3 by 2 and enter the result here. ▶	5	5
6	Pension and annuity exclusion. Subtract line 5 from line 4a, 4b, or 4c, whichever applies. If the result is zero or negative, you are not eligible for the pension and annuity exclusion. If the number is positive, enter the result here and on Form 2, Schedule II, line 11. This is your partial pension and annuity exemption. ▶	6	6