

2001 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, one or 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.

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 spouse the entire year, you will be treated as single individuals.

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 2000 you deducted medical expenses not covered by insurance. In 2001 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 Montana 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 \$1,390, enter \$1,390. If more than \$3,130, enter \$3,130. 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 \$2,780, enter \$2,780. If more than \$6,260, enter \$6,260....	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. %	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.....	6. X .40	X .40