

Schedule II: Montana Subtractions from Federal Adjusted Gross Income		Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
1	Enter exempt interest and dividends from federal bonds, notes, and obligations.		1
2	Enter exempt tribal income.		2
3	Enter exempt unemployment compensation.		3
4	Enter exempt workers' compensation benefits.		4
5	Enter exempt capital gains and dividends from small business investment companies.		5
6	Enter state tax refunds included in Montana Form 2, line 10.		6
7	Enter recoveries of amounts deducted in earlier years that did not reduce Montana income.		7
8	Enter exempt military salary of residents on active duty.		8
9	Enter exempt income of nonresident military servicepersons and spouses.		9
10	Enter exempt life-insurance premiums reimbursement for National Guard and Reservist.		10
11	Enter partial pension and annuity income exemption. Report Tier II Railroad Retirement on line 23 below.		11
12	Enter partial interest exemption for taxpayers 65 and older.		12
13	Enter partial retirement disability income exemption for taxpayers under age 65.		13
14	Enter exemption for certain taxed tips and gratuities.		14
15	Enter exemption for certain income of child taxed to parent.		15
16	Enter exemption for certain health insurance premiums taxed to employee.		16
17	Enter exemption for student loan repayments taxed to health care professional.		17
18	Enter exempt medical care savings account deposits and earnings.		18
19	Enter exempt first-time home buyer savings account deposits and earnings.		19
20	Enter exempt family education savings account deposits and earnings.		20
21	Enter exempt farm and ranch risk management account deposits.		21
22	Enter subtraction to federal taxable social security/Tier I Railroad Retirement reported on Form 2, line 20b.		22
23	Enter subtraction for federal taxable Tier II Railroad Retirement benefits reported on Form 2, line 16b.		23
24	Subtractions for spouse filing joint federal return.		
24a	Enter passive loss carryover exclusion.		24a
24b	Enter IRA deduction adjustment.		24b
24c	Enter capital loss adjustment.		24c
25	Enter subtraction of sole proprietor for allocation of compensation to spouse.		25
26	Enter Montana net operating loss carry over from Montana NOL Form Schedule B.		26
27	Enter 40% capital gain exclusion for pre-1987 installment sales.		27
28	Enter subtraction for business related expenses for purchasing recycled material.		28
29	Enter subtraction for sales of land to beginning farmers.		29
30	Enter subtraction for larger federal estate and trust taxable distribution.		30
31	Enter subtraction for wage deduction reduced by federal targeted jobs credit.		31
32	Enter subtraction for certain gains recognized by liquidating corporation.		32
33	Enter other subtractions. Specify: _____		33
34	Add lines 1 through 33, enter total here and on Form 2, line 39. These are your total Montana subtractions from federal adjusted gross income.		34