## 2019 Montana Income Tax Return for Estates and Trusts

Include a complete copy of the federal Form 1041 and all related forms and schedules.

For calendar year 2019 or tax year beginning **MMDD2019** and ending **MMDDYYYY**

### Mark all that apply
- **Name of Estate or Trust**
- **FEIN**

#### Initial return
- **Name and Title of Fiduciary**
- **Date Entity Created**

#### Final return
- **Mailing Address**
- **Schedules K-1 included**
- **Resident beneficiaries**

#### Amended return
- **City**
- **State**
- **ZIP Code + 4**
- **Nonresident beneficiaries**

#### Refund return made a Section 645 election
- **Date Entity Created**

### Entity Type. Mark all that apply.
- Decedent’s estate
- Simple trust
- Complex trust
- Qualified disability trust
- Bankruptcy estate (Chapter 11)
- ESBT
- Grantor type trust
- Bankruptcy estate (Chapter 7)
- Other

### Residency Status
- Resident
- Resident part-year
- Nonresident
- State moved to
- State moved from

### Enter amounts on lines 1 through 17 corresponding to your federal return. Round to the nearest dollar. If no entry, leave blank.

#### Income
- **Interest income**
- **Ordinary dividends**
- **Business income or (loss)**
- **Capital gain or (loss)**
- **Rents, royalties, partnerships, other estates and trusts, etc.**
- **Farm income or (loss)**
- **Ordinary gain or (loss)**
- **Other income. List type and amount.**
- **Add lines 1 through 8. This is your total federal income.**

#### Deductions and Exemptions
- **Interest**
- **Taxes (do not include federal income tax deduction)**
- **Fiduciary fees**
- **Charitable deduction**
- **Attorney, accountant, and return preparer fees**
- **Other deductions (include schedule)**
- **Net operating loss deduction (See instructions)**
- **Add lines 10 through 15b. This is your Montana adjusted total income or (loss).**
- **Federal adjusted total income or (loss). Subtract line 16 from line 9. (The amount on this line must equal federal Form 1041, line 17.)**
- **Montana additions from Schedule A, line 9**
- **Montana deductions and subtractions from Schedule B, line 10**
- **Add lines 17 and 18, then subtract line 19. This is your Montana taxable income.**
- **Subtract lines 21, 22, and 23 from line 20. (If a loss, see instructions.) This is your Montana taxable income.**

### Office Use Only
- **Date Received**
### 2019 Montana Fiduciary Income Tax Table

<table>
<thead>
<tr>
<th>Your Taxable Income</th>
<th>Multiply Your Taxable Income By</th>
<th>And Subtract</th>
<th>This Is Your Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$3,100</td>
<td>1% (0.010)</td>
<td>$0</td>
</tr>
<tr>
<td>$3,100</td>
<td>$5,400</td>
<td>2% (0.020)</td>
<td>$31</td>
</tr>
<tr>
<td>$5,400</td>
<td>$8,200</td>
<td>3% (0.030)</td>
<td>$85</td>
</tr>
<tr>
<td>$8,200</td>
<td>$11,100</td>
<td>4% (0.040)</td>
<td>$167</td>
</tr>
</tbody>
</table>

For example: Taxable income $6,800 X 3% (0.030) = $204 $204 minus $85 = $119 tax

Questions? Call us at (406) 444-6900, or Montana Relay at 711 for hearing impaired.
For direct deposit of your refund, complete 1, 2, 3 and 4. See instructions.

1. RTN#  2. ACCT#

3. If using direct deposit, the estate or trust is required to mark one box.
   Checking   Savings

4. Is this refund going to an account that is located outside of the United States or its territories?  Yes  No

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Fiduciary (or officer representing fiduciary)  Date  FEIN of Fiduciary (if a financial institution)  Telephone Number

Print/Type Preparer’s Name  Preparer’s Signature  Date  PTIN

Firm’s Name  Telephone Number

Firm’s Address

Mark the box to allow your tax preparer to discuss this return with us.

Send your completed Form FID-3 to: Montana Department of Revenue

PO Box 8021
Helena, MT 59604-8021

Schedule A – Schedule of Additions

1. Interest and mutual fund dividends from state, county, or municipal bonds from other states

2. Dividends not included in federal total income

3. Taxable federal refund

4. Other recoveries of amounts deducted in earlier years that reduced Montana taxable income

5. All state and local taxes included on page 1, line 11

6. Expenses allocated to U.S. obligations

7. Federal net operating loss carryover included on page 1, line 15b

8. Other income. List type and amount.

9. Add lines 1 through 8. Enter the total on page 1, line 18. This is your total additions.
### Schedule B – Schedule of Deductions/Subtractions

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exempt interest and mutual fund dividends from federal bonds, notes, and other obligations</td>
<td>00</td>
</tr>
<tr>
<td>2</td>
<td>State tax refunds included on page 1, line 1</td>
<td>00</td>
</tr>
<tr>
<td>3</td>
<td>Other recoveries of amounts deducted in earlier years that did not reduce Montana taxable income</td>
<td>00</td>
</tr>
<tr>
<td>4</td>
<td>Partial and annuity income exemption (See worksheet and instructions)</td>
<td>00</td>
</tr>
<tr>
<td>5</td>
<td>Subtraction for federal taxing U.S. Railroad Retirement Board benefits (Tier I and Tier II)</td>
<td>00</td>
</tr>
<tr>
<td>6</td>
<td>Expenses allocated to other states’ interest and mutual fund dividends</td>
<td>00</td>
</tr>
<tr>
<td>7</td>
<td>Montana net operating loss carryover from Montana Form NOL</td>
<td>00</td>
</tr>
<tr>
<td>8</td>
<td>State and local taxes (limited to $10,000, see instructions)</td>
<td>00</td>
</tr>
<tr>
<td>9</td>
<td>Other subtractions. List type and amount.</td>
<td>00</td>
</tr>
<tr>
<td>10</td>
<td>Add lines 1 through 9. Enter the total on page 1, line 19.</td>
<td></td>
</tr>
</tbody>
</table>

**This is your total deductions/subtractions.**

### Schedule C – Montana Distributable Net Income (MDNI) and Montana Income Distribution Deduction (MIDD)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Montana adjusted total income or (loss) from page 1, line 20.</td>
<td>00</td>
</tr>
<tr>
<td>2a</td>
<td>Add: Federal tax exempt income (gross)</td>
<td>00</td>
</tr>
<tr>
<td>2b</td>
<td>Less: Expenses allocated to federal tax exempt income</td>
<td>00</td>
</tr>
<tr>
<td>2c</td>
<td>Add: Income from federal obligations that is tax exempt for Montana</td>
<td>00</td>
</tr>
<tr>
<td>2d</td>
<td>Less: Expenses allocated to income from federal obligations that are tax exempt for Montana</td>
<td>00</td>
</tr>
<tr>
<td>2e</td>
<td>Add: Expenses allocated to non-Montana municipal income taxable to Montana</td>
<td>00</td>
</tr>
<tr>
<td>2f</td>
<td>Less: Non-Montana municipal income taxable to Montana</td>
<td>00</td>
</tr>
<tr>
<td>3a</td>
<td>Enter the amount from federal Form 1041, Schedule B, line 3</td>
<td>00</td>
</tr>
<tr>
<td>3b</td>
<td>Enter the amount from federal Form 1041, Schedule B, line 4</td>
<td>00</td>
</tr>
<tr>
<td>3c</td>
<td>Enter the amount from federal Form 1041, Schedule B, line 5</td>
<td>00</td>
</tr>
<tr>
<td>3</td>
<td>Add lines 3a through 3c.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>If the amount on page 1, line 4 is a gain, enter as a negative number.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Combine lines 1 through 4. If zero or less, enter 0.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>If a complex trust, enter the accounting income for the tax year as determined under the governing instrument</td>
<td>00</td>
</tr>
<tr>
<td>7</td>
<td>Income required to be distributed currently</td>
<td>00</td>
</tr>
<tr>
<td>8</td>
<td>Other amounts paid, credited, or otherwise required to be distributed</td>
<td>00</td>
</tr>
<tr>
<td>9</td>
<td>Add lines 7 and 8.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Tax exempt income included in actual distributions included on line 9</td>
<td>00</td>
</tr>
<tr>
<td>11</td>
<td>Subtract line 10 from line 9.</td>
<td>00</td>
</tr>
<tr>
<td>12</td>
<td>Subtract line 2 from line 5. If zero or less, enter 0.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Enter the smaller of line 11 or line 12 and on page 1, line 21. If zero or less, enter 0.</td>
<td></td>
</tr>
</tbody>
</table>

**This is your tentative income distribution deduction based on actual distributions.**

**This is your tentative income distribution deduction.**
Schedule D – Beneficiaries and Montana Income Distributions

A Montana Schedule K-1 is required for every beneficiary receiving a Montana income distribution. If more than 8 beneficiaries, see instructions.

<table>
<thead>
<tr>
<th></th>
<th>Name</th>
<th>SSN</th>
<th>FEIN</th>
<th>1a Share of federal distribution deduction</th>
<th>1b Share of Montana distribution deduction</th>
<th>1c Difference (line 1a minus line 1b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
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<td>3</td>
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<td>5</td>
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<td>6</td>
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<tr>
<td>7</td>
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</tr>
<tr>
<td>8</td>
<td></td>
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</tr>
</tbody>
</table>
Schedule E – Resident Capital Gains Tax Credit Calculation
1. Enter the capital gain or (loss) from page 1, line 4
2. Enter the net capital gains reported on federal Form 1041, Schedule D, Part III, line 19, column (1) Beneficiaries
3. Subtract line 2 from line 1. If this line is zero or less, you cannot claim a capital gains credit.
4. Multiply line 3 by 2% (.02). Enter here and on page 2, line 27. This is your allowable resident capital gains tax credit.

Schedule F – Nonresident /Part-Year Resident Estate and Trust Tax
1. Interest income
2. Ordinary dividends
3. Business income or (loss)
4. Capital gain or (loss)
5. Rental real estate, royalties, partnerships, S corporations, other estates, and trusts, etc.
6. Farm income or (loss)
7. Ordinary gain or (loss)
8. Other income
9. Interest and mutual fund dividends from other states’ state, county, or municipal bonds
10. Dividends not included in total federal income
11. Taxable federal refund
12. Other recoveries of amounts deducted in earlier years that reduced Montana taxable income
13. Other additions to income and adjustments
14. Add lines 1 through 13 and enter the result here.

Column B is the estate or trust’s Montana source income.
15. Divide the amount in column B, line 14 by the amount in column A, line 14 and enter result here. Round to 6 decimal places and do not enter more than 1.000000.
16. Enter the tax from page 2, line 26
17. Multiply column B, line 4 by 2% (.02). This is your nonresident/part-year resident capital gains credit.
18. Multiply the tax on line 16 by the percentage on line 15 and deduct line 17. Enter the result here and on page 2, line 28a. This is your estate or trust nonresident/part-year resident tax after capital gains tax credit.

Schedule F applies to nonresident and part-year resident estates and trusts only. The fiduciary will use this schedule to compute the ratio of undistributed Montana source income to total undistributed income. This ratio is then multiplied by the tax from page 2, line 26, and reduced by the capital gains credit on Schedule F, line 17, to determine the nonresident or part-year resident tax to be reported on page 2, line 28a.

Column A – For lines 1 through 13, start with the corresponding line on page 1 and reduce that amount by any income distributed to the beneficiaries.
Column B – For lines 1 through 13, report the amount of Montana source income included in column A.
**Schedule G – S Portion Tax Calculation of ESBT**

1. Total federal adjusted ESBT income (See instructions and include federal computation)
2. Montana additions to ESBT income (Include statement)
3. Montana deductions from ESBT income (Include statement)
4. Add lines 1 and 2, then subtract line 3.
5. Federal income tax paid or accrued on ESBT income
6. Subtract line 5 from line 4.
7. Tax from tax table. If line 6 is zero or less, enter 0.
8. Montana source income
9. Divide line 8 by line 4 (round to 6 decimal places).
10. Multiply line 7 by line 9.

*This is your Montana adjusted ESBT income.*

11. Enter the total credit for income taxes paid to another state or country (See instructions)
12. Capital gains credit. (See instructions)
13. Other nonrefundable credits. List credit forms
14. Combine lines 11 through 13
15. Endowment credit recapture tax
16. If a resident trust, add lines 7 and 15, or if a nonresident or part-year resident trust, add lines 10 and 15. Subtract line 14 from the result. If zero or less, enter 0. Enter here and include on page 2, line 36.

*This is your nonresident/part-year resident tax.*

**Schedule H – Reporting of Special Transactions, NOL and Amended Return Information**

**Part I. Reporting of Special Transactions**

Complete this part only if the estate or trust filed any of the federal income tax forms described below. Mark the appropriate box indicating which form the estate or trust filed with the Internal Revenue Service for this tax year. If your answer is “Yes” to one or more of these forms, include a complete copy of the federal Form 1041.

1. The estate or trust filed federal **Form 8918 – Material Advisor Disclosure Statement** with the Internal Revenue Service. Yes
   - Material advisors are required to file Form 8918 for any reportable transactions.
2. The estate or trust filed federal **Form 8824 – Like-Kind Exchanges** with the Internal Revenue Service. Yes
   - NOTE: Mark the box if the like-kind exchange includes Montana property. Nonresidents do not have to report a like-kind exchange if the properties involved do not include Montana property.
   - Use Form 8824 to report each exchange of business or investment property for property of a like kind.
3. The estate or trust filed federal **Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships** with the Internal Revenue Service. Yes
   - Use Form 8865 to report the information required under 26 USC 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interest).
4. The estate or trust filed federal **Form 8886 – Reportable Transaction Disclosure Statement** with the Internal Revenue Service. Yes
   - Use Form 8886 to disclose information for each reportable transaction in which the estate or trust participated.

**Part II. Net Operating Loss Election for Farming Losses**

If you do not want to carry your 2019 farming loss back, mark the box.

You must make this election by the due date (including extension) for filing your income tax return.

**Part III. Amended Return Information**

Mark the appropriate box. In the table below, indicate the reasons for the changes you made to your Montana tax return.

<table>
<thead>
<tr>
<th>Form or Schedule</th>
<th>Line or Box</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>a NOL carryback</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Federal audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Amended federal return</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Filing status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Montana Schedule K-1 (FID-3)
Beneficiary’s Share of Income (Loss), Deductions, Credits, etc.
For the calendar year 2019, or tax year beginning MM/DD/YYYY and ending MM/DD/YYYY

Part 1
Estate or Trust Information

<table>
<thead>
<tr>
<th>Name of Estate or Trust</th>
<th>FEIN</th>
<th>Final Schedule K-1</th>
<th>Amended Schedule K-1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mark applicable boxes: Final Schedule K-1 Amended Schedule K-1

Fiduciary’s Name

Mailing Address

City State ZIP Code

Part 2
Beneficiary Information

<table>
<thead>
<tr>
<th>Beneficiary’s Name</th>
<th>FEIN</th>
<th>OR</th>
<th>SSN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mailing Address

City State ZIP Code

What type of entity is this beneficiary?
If beneficiary is an individual, estate, or trust, the beneficiary is a: Full-year resident Part-year resident Nonresident

Part 3
Montana Adjustments

| A Montana additions to income. | Adjustment for smaller federal estate and trust taxable distributions. | A | 0.0 |
| B Montana deductions from income. | Adjustment for larger federal estate and trust taxable distribution. | B | 0.0 |

Part 4
Montana’s Share of Montana Source Income (Loss)

| 1 Interest income | 1 | 0.0 |
| 2 Dividends | 2 | 0.0 |
| 3 Business income or (loss) | 3 | 0.0 |
| 4 Capital gain or (loss) | 4 | 0.0 |
| 5 Rents, royalties, partnerships, S corporations, other estates and trusts, etc. | 5 | 0.0 |
| 6 Net farm income or (loss) | 6 | 0.0 |
| 7 Ordinary gain or (loss) | 7 | 0.0 |
| 8 Other income. List type and amount. | 8 | 0.0 |
| 9 Montana source additions to income reported on Form FID-3, Schedule A. Include a list with types and amount. | 9 | 0.0 |

Part 5
Supplemental Information

| 1 Montana mineral royalty tax withheld | 1 | 0.0 |
| 2 Other information. List type and amount. | 2 | 0.0 |