

Voluntary Check-off Contributions				
Check the appropriate box(es) below if you wish to contribute in addition to your existing tax liability.				
Please enter the total amount on Form 2, line 67.				
67a.	Nongame Wildlife Program	\$5 ▶ <input type="checkbox"/>	\$10 ▶ <input type="checkbox"/>	or specify amount ▶ <input type="text"/>
67b.	Child Abuse Prevention	\$5 ▶ <input type="checkbox"/>	\$10 ▶ <input type="checkbox"/>	or specify amount ▶ <input type="text"/>
67c.	Agriculture in Schools	\$5 ▶ <input type="checkbox"/>	\$10 ▶ <input type="checkbox"/>	or specify amount ▶ <input type="text"/>
67d.	End-stage Renal Disease Program	\$5 ▶ <input type="checkbox"/>	\$10 ▶ <input type="checkbox"/>	or specify amount ▶ <input type="text"/>
67e.	Montana Military Family Relief Fund	\$5 ▶ <input type="checkbox"/>	\$10 ▶ <input type="checkbox"/>	or specify amount ▶ <input type="text"/>
Total voluntary check-off contributions.				<input type="text"/>

2008 Montana Individual Income Tax Table				
If your taxable income is more than	but not more than	multiply your taxable income by	and subtract	equals your tax
\$0	\$2,600	1% (0.010)	\$0	
\$2,600	\$4,600	2% (0.020)	\$26	
\$4,600	\$7,000	3% (0.030)	\$72	
\$7,000	\$9,500	4% (0.040)	\$142	
\$9,500	\$12,200	5% (0.050)	\$237	
\$12,200	\$15,600	6% (0.060)	\$359	
more than \$15,600		6.9% (0.069)	\$499	
For example: Taxable income \$6,800 X 3% (0.030) = \$204; \$204 minus \$72 = \$132 tax				

Schedule I - Montana Additions to 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)
Enter on the corresponding line your additions to federal adjusted gross income.			▼	▼
File Schedule I with your Montana Form 2.				
1	Interest and mutual fund dividends from state, county, or municipal bonds from other states.	▶	1	1
2	Dividends not included in federal adjusted gross income.	▶	2	2
3	Taxable federal refunds. Complete Worksheet II on page 51.	▶	3	3
4	Other recoveries of amounts deducted in earlier years that reduced Montana taxable income. Complete Worksheet IX (available at mt.gov/revenue).	▶	4	4
5	Addition to federal taxable social security/railroad retirement. Complete Worksheet VIII on page 55.	▶	5	5
6	Sole proprietor's allocation of compensation to spouse.	▶	6	6
7	Medical care savings account nonqualified withdrawals.	▶	7	7
8	First-time home buyer savings account nonqualified withdrawals.	▶	8	8
9	Farm and ranch risk management account taxable distributions.	▶	9	9
10	Addition for dependent care assistance credit adjustment.	▶	10	10
11	Addition for smaller federal estate and trust taxable distributions.	▶	11	11
12	Federal net operating loss carryover reported on Form 2, line 21.	▶	12	12
13	Share of federal income taxes paid by your S corporation.	▶	13	13
14	Title plant depreciation and amortization.	▶	14	14
15	Premiums for Insure Montana Small Business Health Insurance credit.	▶	15	15
16	Other additions. Specify: <input type="text"/>	▶	16	16
17	Add lines 1 through 16. Enter total here and on Form 2, line 38.	▶	17	17
This is your total Montana additions to federal adjusted gross income.				

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)
Enter on the corresponding line your subtractions from federal adjusted gross income. File Schedule II with your Montana Form 2.			▼	▼
1	Exempt interest and dividends from federal bonds, notes, and obligations.	▶	1	1
2	Exempt tribal income. Attach Montana Form IND.	▶	2	2
3	Exempt unemployment compensation.	▶	3	3
4	Exempt workers' compensation benefits.	▶	4	4
5	Exempt capital gains and dividends from small business investment companies.	▶	5	5
6	State income tax refunds included in Montana Form 2, line 10.	▶	6	6
7	Recoveries of amounts deducted in earlier years that did not reduce Montana income.	▶	7	7
8	Exempt military salary of residents on active duty.	▶	8	8
9	Exempt income of nonresident military servicepersons and spouses.	▶	9	9
10	Exempt life-insurance premiums reimbursement for National Guard and Reservist.	▶	10	10
11	Partial pension and annuity income exemption. Report Tier II Railroad Retirement on line 23 below.	▶	11	11
12	Partial interest exemption for taxpayers 65 and older.	▶	12	12
13	Partial retirement disability income exemption for taxpayers under age 65. Attach Form DS-1.	▶	13	13
14	Exemption for certain taxed tips and gratuities.	▶	14	14
15	Exemption for certain income of child taxed to parent.	▶	15	15
16	Exemption for certain health insurance premiums taxed to employee.	▶	16	16
17	Exemption for student loan repayments taxed to health care professional.	▶	17	17
18	Exempt medical care savings account deposits and earnings. Attach Form MSA.	▶	18	18
19	Exempt first-time home buyer savings account deposits and earnings. Attach Form FTB.	▶	19	19
20	Exempt family education savings account deposits and earnings.	▶	20	20
21	Exempt farm and ranch risk management account deposits. Attach Form FRM.	▶	21	21
22	Subtraction to federal taxable social security/Tier I Railroad Retirement reported on Form 2, line 20b.	▶	22	22
23	Subtraction for federal taxable Tier II Railroad Retirement benefits reported on Form 2, line 16b.	▶	23	23
24	Passive loss carryover exclusion.	▶	24	24
25	Capital loss adjustment.	▶	25	25
26	Subtraction of sole proprietor for allocation of compensation to spouse.	▶	26	26
27	Montana net operating loss carryover from Montana Form NOL, Schedule B.	▶	27	27
28	40% capital gain exclusion for pre-1987 installment sales.	▶	28	28
29	Subtraction for business related expenses for purchasing recycled material.	▶	29	29
30	Subtraction for sales of land to beginning farmers.	▶	30	30
31	Subtraction for larger federal estate and trust taxable distribution.	▶	31	31
32	Subtraction for wage deduction reduced by federal targeted jobs credit.	▶	32	32
33	Subtraction for certain gains recognized by liquidating corporation.	▶	33	33
34	Other subtractions. Specify: ▶ <input type="text"/>	▶	34	34
35	Add lines 1 through 34, enter total here and on Form 2, line 39. This is your total Montana subtractions from federal adjusted gross income.	▶	35	35

Schedule III - Montana Itemized Deductions Enter on the corresponding line your itemized deductions. File Schedule III with your Montana Form 2.				Column A (for single, joint, separate, or head of household) ▼	Column B (for spouse when filing separately using filing status 3a) ▼
1	Medical and dental expenses.	▶	1		
2	Enter amount from Form 2, line 41.	▶	2		
3	Multiply line 2 by 7.5% (0.075).	▶	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	4
5	Medical insurance premiums not deducted elsewhere on your return.	▶	5		5
6	Long term care insurance premiums not deducted elsewhere on your return.	▶	6		6
Complete lines 7a through 7d reporting your total federal income tax payments made in 2008 before completing line 7e. You cannot deduct your self-employment taxes paid on lines 7a through 7d.					
7a	Federal income tax withheld in 2008.	▶	7a		7a
7b	Federal estimated tax payments paid in 2008.	▶	7b		7b
7c	2007 federal income taxes paid in 2008.	▶	7c		7c
7d	Other back year federal income taxes paid in 2008. Attach federal Form 1040 or 1040A.	▶	7d		7d
7e	Federal Economic Stimulus Package Rebate received in 2008.	▶	7e		7e
7f	Add lines 7a through 7d, and then subtract line 7e. Enter result here, but no more than \$5,000 if you are filing single, head of household, or married filing separately; or \$10,000 if filing a joint return with your spouse. This is your federal income tax deduction. ▶			7f	7f
8	Local income taxes paid in 2008 (see instructions on page 34).	▶	8		8
9	Real estate taxes paid in 2008.	▶	9		9
10	Personal property taxes paid in 2008.	▶	10		10
11	Other deductible taxes, including general sales taxes paid in 2008. List type and amount:	▶	11		11
12	Home mortgage interest and points reported to you on federal Form 1098.	▶	12		12
13	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		13
14	Points not reported to you on federal Form 1098.	▶	14		14
15	Qualified mortgage insurance premiums.	▶	15		15
16	Investment interest, Attach federal Form 4952.	▶	16		16
17	Contributions made by cash or check during 2008.	▶	17		17
18	Contributions made other than by cash or check.	▶	18		18
19	Contribution carryover from the prior year.	▶	19		19
20	Child and dependent care expenses. Attach Montana Form 2441M.	▶	20		20
21	Casualty and theft loss(es). Attach federal Form 4684.	▶	21		21
22	Unreimbursed employee business expenses. Attach federal Form 2106 or 2106EZ.	▶	22		22
23	Other expenses. List type and amount:	▶	23		23
24	Add lines 22 and 23.	▶	24		24
25	Enter the amount from Form 2, line 41.	▶	25		25
26	Multiply line 25 by 2% (0.02).	▶	26		26
27	Subtract line 26 from line 24 and enter the result here, but not less than zero.	▶	27		27
28	Political contributions (limited to \$100 per taxpayer).	▶	28		28
29	Other miscellaneous deductions not subject to 2% of Montana AGI. List type and amount: ▼	▶	29		29
30	Gambling losses allowed under federal law.	▶	30		30
31	Add lines 4 through 6; 7f through 21; and 27 through 30 and enter result here.	▶	31		31
If the amount on Form 2, line 41 is more than \$159,950 if married filing jointly, or more than \$79,975 if married filing separately, complete Worksheet VI - Itemized Deduction Worksheet, otherwise enter zero on line 32.					
32	Enter the amount from the itemized deduction Worksheet VI, page 53, line 11. This is the amount of your non-allowed itemized deductions. ▶		32		32
33	Subtract line 32 from line 31 and enter the result here and on Form 2, line 42. This is the amount of your allowable itemized deductions. ▶		33		33

Schedule IV - Nonresident/Part-Year Resident Tax Enter on lines 1 through 15 your Montana source income that is included in Montana adjusted gross income on Form 2, lines 7 through 21 and line 38. File Schedule IV with your Montana Form 2.		Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
		▼	▼
1	Montana wages, salaries, tips, etc. included on Form 2, line 7. ▶	1	1
2	Montana taxable interest included on Form 2, line 8a. ▶	2	2
3	Montana ordinary dividends included on Form 2, line 9a. ▶	3	3
4	Montana taxable refunds, credits, or offsets of state and local income taxes included on Form 2, line 10. ▶	4	4
5	Montana alimony received included on Form 2, line 11. ▶	5	5
6	Business income or (loss) included on Form 2, line 12. ▶	6	6
7	Capital gain or (loss) included on Form 2, line 13. ▶	7	7
8	Other gains or (losses) included on Form 2, line 14. ▶	8	8
9	Taxable IRA distribution included on Form 2, line 15b. ▶	9	9
10	Taxable pension and annuities included on Form 2, line 16b. ▶	10	10
11	Rental real estate, royalties, partnerships, S corporations, trust, etc. included on Form 2, line 17. ▶	11	11
12	Farm income or (loss) included on Form 2, line 18. ▶	12	12
13	Taxable social security benefits included on Form 2, line 20b. ▶	13	13
14	Other income included on Form 2, line 21. ▶	14	14
15	Montana source additions to income reported on Form 2, Schedule I. ▶	15	15
16	Add lines 1 through 15 and enter result here. This is your Montana source income. ▶	16	16
17	Add your total federal income from Form 2, line 22 and your Montana additions to federal adjusted gross income from line 38 and enter the result here. Skip line 18 and go to line 19. (If you are a nonresident military service person and spouse, skip line 17 and go to line 18). This is your total income from all sources. ▶	17	17
18	Nonresident military service persons and spouses only: Add from Form 2, lines 22 and 38, then subtract from this sum your exempt income reported on Form 2, Schedule II, line 9 and enter the result here. This is your total income from all sources. ▶	18	18
19	Divide the amount on line 16 by the amount on line 17 or line 18 (if you are a nonresident military service person and spouse) and enter the result here. Carry to 4 decimal places and do not enter more than 1.0000. ▶	19	19
20	Enter your resident tax after capital gains tax credit from Form 2, line 48. ▶	20	20
21	Multiply the tax on line 20 by the percentage on line 19 and enter the result here and on Form 2, line 48a. This is your nonresident, part-year resident tax after capital gains tax credit. ▶	21	21

How do I determine what qualifies as my Montana source income when I am a nonresident of Montana?

In general, as a nonresident of Montana your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property that is located in Montana, and income that you receive from a business conducted in Montana.

How do I determine my Montana source income when I am a part-year resident of Montana?

As a part-year resident you are considered a resident for part of the year and a nonresident for the other part of the year.

In general, for the part of the year that you are a nonresident your Montana source income is all the income that you receive for work that you perform in Montana, income that you receive from real or personal property that is located in Montana, and income that you receive from a business conducted in Montana.

For the part of the year that you are a resident, all of your income that you receive, no matter where you earn it, is Montana source income.

Where can I find further information on what is my Montana source income?

For further information and a line-by-line description of what Montana source income is, refer to Form 2, *Schedule IV* instructions beginning on page 36.

Schedule V - Montana Tax Credits		Column A (for single, joint, separate, or head of household)	Column B (for spouse when filing separately using filing status 3a)
Enter on the corresponding line your Montana tax credits. File Schedule V with your Montana Form 2.		▼	▼
Nonrefundable credits that are single-year credits and HAVE NO carryover provision			
1	Credit for an income tax liability paid to another state or country from Form 2, Schedules VI, line 10 or VII, line 10. ▶	1	1
2	College contribution credit. Attach Form CC. ▶	2	2
3	Qualified endowment credit. Attach Form QEC. ▶	3	3
4	Energy conservation installation credit. Attach Form ENRG-C. ▶	4	4
5	Alternative fuel credit. Attach Form AFCR. ▶	5	5
6	Rural physician's credit. ▶	6	6
7	Health insurance for uninsured Montanans credit. Attach Form HI. ▶	7	7
8	Elderly care credit. Attach Form ECC. ▶	8	8
9	Recycle credit. Attach Form RCYL. ▶	9	9
10	Oilseed crushing and biodiesel/biolubricant production facility credit. Attach Form OSC. ▶	10	10
11	Biodiesel blending and storage credit. Attach Form BBSC. ▶	11	11
Nonrefundable credits that HAVE a carryover provision			
12	Contractor's gross receipts tax credit. ▶	12	12
13	Geothermal systems credit. Attach Form ENRG-A. ▶	13	13
14	Alternative energy systems credit. Attach Form ENRG-B. ▶	14	14
15	Alternative energy production credit. Attach Form AEPC. ▶	15	15
16	Dependent care assistance credit. Attach Form DCAC. ▶	16	16
17	Historic property preservation credit. Attach federal Form 3468. ▶	17	17
18	Infrastructure users fee credit. ▶	18	18
19	Empowerment zone credit. ▶	19	19
20	Increasing research activities credit. Attach Form RSCH. ▶	20	20
21	Mineral exploration incentive credit. Attach Form MINE-CRED. ▶	21	21
22	Film employment production credit. Attach Form FPC. Report your credit on this line if you have made the one-time four year carry forward election. ▶	22	22
23	Adoption credit. Attach federal Form 8839. ▶	23	23
24	Add lines 1 through 23 and enter result here and on Form 2, line 51. This is your total nonrefundable credits. ▶	24	24
Refundable credits			
25	Elderly homeowner/renter credit. Attach Form 2EC. ▶	25	25
26	Film employment production credit. Attach Form FPC. ▶	26	26
27	Film qualified expenditure credit. Attach Form FPC. ▶	27	27
28	Insure Montana small business health insurance credit. Business FEIN: ▶ <input type="text"/> ▶	28	28
29	Temporary Emergency Lodging credit. Attach Form TELC. ▶	29	29
30	Add lines 25 through 29 and enter result here and on Form 2, line 58. This is your total refundable credits. ▶	30	30

Montana Tax Credits

We have listed the 27 Montana tax credits available to you under three categories. With the exception of the capital gains tax credit, which is required to be applied before any other credit, you are not required to apply any of these 27 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 2008 resident, nonresident, or part-year resident tax after capital gains credit and cannot reduce your tax liability below zero. The unused portion that exceeded your 2008 income tax liability cannot be used in future years.

Nonrefundable carryover credits.

Your nonrefundable carryover credits can be used to offset your 2008 resident, nonresident, or part-year resident tax after capital gains credit and cannot reduce your tax liability below zero. Your excess credits that were not applied against your 2008 income tax liability can be carried over and used to offset future year tax liabilities.

Refundable credits.

Your refundable credits are applied against your income tax liability with any unused credit refunded to you.