



# 2011 Estimated Tax Annualization Worksheet

**MONTANA**  
**ESA**  
 Rev 08 10

First name and initial	Last name	Social security number <input type="text"/>
Spouse's first name and initial	Spouse's last name	Spouse's social security number

If you use the annualized income installment method, you will have to file Form ESA. Attach Form ESA when you file your 2011 income tax return.

	Jan. 1 - Mar. 31 1st Period 2011	Jan. 1 - May 31 2nd Period 2011	Jan. 1 - Aug. 31 3rd Period 2011	Jan. 1 - Dec. 31 4th Period 2011
1. Enter your Montana adjusted gross income for each period (see instructions). . . . .				
2. Annualization amounts. . . . .	4	2.4	1.5	1
3. Multiply line 1 by line 2 and enter results (annualized income). . . . .				
4. If you itemize, enter itemized deductions for the period shown in each column. All others enter zero, and skip to line 7. . . . .				
5. Annualization amounts. . . . .	4	2.4	1.5	1
6. Multiply line 4 by line 5. . . . .				
7. In each column, enter the full amount of your standard deduction from page 2, Standard Deduction Worksheet. . . . .				
8. Enter larger of line 6 or line 7. . . . .				
9. Subtract line 8 from line 3. . . . .				
10. In each column, multiply \$2,130 by the total number of exemptions claimed. . . . .				
11. Subtract line 10 from line 9. . . . .				
12. Figure your tax on the amount on line 11 (see instructions). . . . .				
13. If you have net capital gains included in your Montana adjusted gross income on line 1, multiply the net capital gains amount by 2% (0.020) and enter the result of your capital gains tax credit. . . . .				
14. Subtract line 13 from line 12. . . . .				
15. Enter nonrefundable tax credits for each period. . . . .				
16. Subtract line 15 from line 14. <b>This is your total tax.</b> . . . . .				
17. Applicable percentage. . . . .	22.5% (0.225)	45% (0.450)	67.5% (0.675)	90% (0.900)
18. Multiply line 16 by line 17. . . . .				
19. Add amounts in all preceding columns of line 25. . . . .				
20. Annualized income installment. Subtract line 19 from line 18. If less than zero, enter zero. . . . .				
21. Divide line 9 of Form ESW (Estimated Tax Annualization Worksheet) by four (4) and enter result in each column. . . . .				
22. Enter amount from line 24 of preceding column. . . . .				
23. Add lines 21 and 22. . . . .				
24. If line 23 is more than line 20, subtract line 20 from line 23, otherwise enter zero. . . . .				
25. Enter the smaller of either line 20 or line 23. . . . .				
26. Enter estimated 2011 withholding for each period. . . . .				
27. Enter the amount of your overpayments from the prior year. . . . .				
28. Enter the estimated amount of your refundable credits for each period. . . . .				
29. Subtract lines 26 through 28 from line 25. <b>This is your required estimated tax payment for each quarter.</b> . . . . .				

When you file your Montana income tax return electronically, you represent that you have retained all documents required as a tax record and that you will provide a copy to the department upon request. If you file electronically, you do not need to mail this form to us unless we contact you for a copy.



## General Information on Annualizing

If your income fluctuates or is seasonal, you may be able to lower the amount of one or more required estimated tax installments by annualizing your income. To see if you can pay less for any period, first complete the Estimated Income Tax Worksheet (Form ESW) then complete the Estimated Tax Annualization Worksheet (Form ESA). Complete one column before continuing to the next. This worksheet annualizes your tax at the end of each period based on a reasonable estimate of your income and deductions from the beginning of the tax year through the end of each period. If you use the annualized income worksheet for any payment due date, you have to use it for all subsequent payment due dates.

## Form ESA Instructions

To figure the amount of each required installment, the worksheet selects the smaller of the annualized income installment or the regular installment (that has been increased by the amount saved by using the annualized income installment method in figuring any earlier installments).

- Line 1 For each period (column), figure your total income including your adjustments to income. Include your share of partnership or S corporation income or loss items for the period.
- Line 4 Enter your estimated 2011 itemized deductions such as contributions, medical, and dental expenses for each period.
- Line 6 If you itemized your deductions, multiply line 4 of each column by line 5 and enter the result on line 6.
- Line 7 The standard deduction is 20% of line 3, subject to the following limitations:
- Single or married filing separately: No less than \$1,770; no more than \$3,990
  - Married filing jointly or head of household: No less than \$3,540; no more than \$7,980
- Line 12 To compute the tax, use the tax table.

2010 Montana Individual Income Tax Table									
If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax	If Your Taxable Income Is More Than	But Not More Than	Multiply Your Taxable Income By	And Subtract	This Is Your Tax
\$0	\$2,600	1% (0.010)	\$0		\$9,400	\$12,100	5% (0.050)	\$235	
\$2,600	\$4,600	2% (0.020)	\$26		\$12,100	\$15,600	6% (0.060)	\$356	
\$4,600	\$6,900	3% (0.030)	\$72		More Than \$15,600		6.9% (0.069)	\$496	
\$6,900	\$9,400	4% (0.040)	\$141						

For Example: Taxable Income \$6,800 X 3% (0.030) = \$204.

\$204 Minus \$72 = \$132 Tax

## Standard Deduction Worksheet

A standard deduction worksheet must be completed for each period.

1. Enter the amount from line 3 of Form ESA for applicable period..... 1.
2. Enter 20% of line 1. .... 2.
3. Enter the amount from below that corresponds to your filing status:  
Single or married filing separately \$3,990.  
Married filing jointly or head of household \$7,980..... 3.
4. Enter the amount from either line 2 or line 3, whichever is the smaller. .... 4.
5. Enter the amount from below that corresponds to your filing status:  
Single or married filing separately \$1,770  
Married filing jointly or head of household \$3,540..... 5.
6. Enter the amount from either line 4 or line 5, whichever is the larger. **This is your standard deduction.** Transfer this amount to line 7, Form ESA for the applicable period. .... 6.

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**Questions?** Please call us toll free at (866) 859-2254 (in Helena, 444-6900).