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Schedule II – Montana Subtractions from Federal Adjusted Gross Income

Enter your subtractions from federal adjusted gross income on the corresponding line.

File Schedule II 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	Exempt interest and mutual fund dividends from federal bonds, notes, and obligations.....	1		00		00
2	Exempt tribal income. Include Form IND.....	2		00		00
3	Exempt unemployment compensation	3		00		00
4	Exempt workers' compensation benefits	4		00		00
5	Exempt capital gains and dividends from small business investment companies.....	5		00		00
6	State income tax refunds included on Form 2, line 10	6		00		00
7	Recoveries of amounts deducted in earlier years that did not reduce Montana income tax	7		00		00
8	Exempt military salary of residents on active duty.....	8		00		00
9	Exempt income of nonresident military servicepersons	9		00		00
10	Exempt life insurance premiums reimbursement for National Guard and Reservist.....	10		00		00
11	Partial pension and annuity income exemption. Report Tier II Railroad Retirement on line 23 below. Complete Worksheet IV on page 45.....	11		00		00
12	Partial interest exemption for taxpayers 65 and older	12		00		00
13	Partial retirement disability income exemption for taxpayers under age 65. Include Form DS-1	13		00		00
14	Exemption for certain taxed tips and gratuities.....	14		00		00
15	Exemption for certain income of child taxed to parent.....	15		00		00
16	Exemption for certain health insurance premiums taxed to employee	16		00		00
17	Exemption for student loan repayments taxed to health care professional	17		00		00
18	Exempt medical care savings account deposits and earnings. Include Form MSA	18		00		00
19	Exempt first-time home buyer savings account deposits and earnings. Include Form FTB.....	19		00		00
20	Exempt family education savings account deposits	20		00		00
21	Exempt farm and ranch risk management account deposits. Include Form FRM.....	21		00		00
22	Subtraction from federal taxable social security benefits/Tier I Railroad Retirement reported on Form 2, line 20b. Complete Worksheet VIII on page 48.....	22		00		00
23	Subtraction for federal taxable Tier II Railroad Retirement benefits reported on Form 2, line 16b.....	23		00		00
24	Passive loss adjustment	24		00		00
25	Capital loss adjustment	25		00		00
26	Subtraction of sole proprietor for allocation of compensation to spouse	26		00		00
27	Montana net operating loss carryover from Montana Form NOL, Schedule B.....	27		00		00
28	40% capital gain exclusion for pre-1987 installment sales. Complete Worksheet III on page 45	28		00		00
29	Subtraction for business-related expenses for purchasing recycled material. Include Form RCYL.....	29		00		00
30	Subtraction for sales of land to beginning farmers	30		00		00
31	Subtraction for larger federal estate and trust taxable distribution	31		00		00
32	Subtraction for wage deduction reduced by federal targeted jobs credit.....	32		00		00
33	Subtraction for certain gains recognized by liquidating corporation	33		00		00
34	Other subtractions. Specify:	34		00		00
35	Add lines 1 through 34. Enter the total here and on Form 2, line 40. This is your total Montana subtractions from federal adjusted gross income.	35		00		00

