Clear Form

Montana Department of REVENUE

MONTANA
DS-1
Rev 02 12

# 2012 Disability Income Exclusion

15-30-2110(10), MCA

| First Name and Initial | Last Name |
|---|---|
| Spouse's First Name and Initial | Last Name |

Social Security Numbers

- -

- -

| | Column A (for single, joint, separate, or head of household) | Column B (for spouse when married filing separately on the same form) |
|---|---|---|
| **Complete lines 1 through 3 for retirement disability benefits that you received for a full week.** | | |
| 1. Multiply the amount of the retirement disability benefits that you received per week by the number of weeks you received these benefits and enter the result ........... 1. | | |
| 2. Multiply $100 by the number of weeks you received retirement disability benefits and enter the result, but not more than $5,200 .................................................. 2. | | |
| 3. Enter the smaller of line 1 or line 2 ........................................................ 3. | | |
| **Complete lines 4 through 6 for retirement disability benefits that you received for a portion of a week.** | | |
| 4. Enter the amount of the retirement disability benefits that you received for a portion of a week ............................................................................................ 4. | | |
| 5. Multiply $20 by the number of work days you received retirement disability benefits and enter the result.......................................................................................... 5. | | |
| 6. Enter the smaller of line 4 or line 5 ........................................................ 6. | | |
| 7. Add line 3 and line 6 and enter the result ............................................................ 7. | | |
| 8. Add the amounts on line 7, columns A and B, and enter the result ................................................ 8. | | |
| 9. Enter your Montana adjusted gross income before your disability income exclusion (see instructions) ........................................................................................ 9. | | |
| 10. Add the amounts on line 9, columns A and B, and enter the result ............................................. 10. | | |
| 11. Your income limitation amount is entered here ........................................................................ 11. | | $15,000 |
| 12. Subtract line 11 from line 10 and enter the result, but not less than zero.................................... 12. | | |
| 13. Subtract line 12 from line 8 and enter the result, but not less than zero. **This is your partial retirement disability income exclusion**. Enter this amount on Form 2, Schedule II, line 13..... 13. | | |

If you file your Montana tax return electronically, you do not need to mail this form to us unless we ask you for a copy. When you file electronically, you represent that you have retained the required documents in your tax records and will provide them upon the department's request.

*12CX0101*

# Form DS-1 Instructions

### How can I determine if I am eligible for the retirement disability income exclusion?

You are eligible to take this exclusion if you:

- are a Montana resident,
- are under the age of 65,
- are permanently and totally disabled, and
- have not chosen to treat this retirement disability income as a pension or annuity.

**Permanently and Totally Disabled** means that you are unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment lasting or expected to last at least 12 months.

### What income qualifies for the retirement disability income exclusion?

The only income used to determine your exclusion is income reportable on federal Form 1099-R with a Box 7 distribution code of 3.

### How do I determine my Montana adjusted gross income before the disability income exclusion?

The amount recorded on line 9 is the total of your federal adjusted gross income (Form 2, line 38) plus the total amount of your Montana additions to federal adjusted gross income (Form 2, line 39) minus any Montana subtractions to federal adjusted gross income (Form 2, line 40). To determine the Montana subtractions before the disability income exclusion, add the entries on Form 2, Schedule II except line 13. If you are married and filing separately with your spouse, you will have to combine your Montana adjusted gross income with your spouse's to determine the amount of your retirement disability income exclusion.

### What information do I need to provide to show proof of my disability?

We may ask for proof issued by a governmental unit (such as the Social Security Administration) that certifies that you are permanently and totally disabled. If this is not available, we may require other verification that can prove your disability.

**Administrative Rules of Montana:** 42.15.217

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