

2012 Montana Income Tax Return for Estates and Trusts

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Form FID-3

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

For calendar year 2012 or tax year beginning

MMDD2012

and ending

MMDDYYYY

Mark all that apply.

- ☐ Initial return
- ☐ Final return
- ☐ Amended return
- ☐ Refund return
- ☐ NOL carryback
- ☐ Estate or filing trust made a Sec. 645 election

Name of Estate or Trust

FEIN

Name and Title of Fiduciary

Date Entity Created

MMDDYYYY

Mailing Address

Enter number of:

Schedules K-1 included

Resident beneficiaries

Nonresident beneficiaries

Other types of beneficiaries

City

State

Zip Code + 4

Entity Type

- ☐ Decedent's estate
- ☐ Simple trust
- ☐ Complex trust
- ☐ Qualified disability trust
- ☐ ESBT
- ☐ Grantor type trust
- ☐ Bankruptcy estate (Chapter 7)
- ☐ Bankruptcy estate (Chapter 11)
- ☐ Pooled income fund
- ☐ Qualified funeral trust
- ☐ Other _____

Residency Status

- ☐ Resident
- ☐ Nonresident
- ☐ Resident part-year
- ☐ State moved to
- ☐ State moved from

Date of change

MMDDYYYY

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

Income	1	Interest income	1		00
	2	Ordinary dividends.....	2		00
	3	Business income or (loss). Federal Business Code/NAICS 	3		00
	4	Capital gain or (loss).....	4		00
	5	Rents, royalties, partnerships, other estates and trusts, etc.....	5		00
	6	Farm income or (loss).....	6		00
	7	Ordinary gain or (loss)	7		00
	8	Other income. List type and amount	8		00
	9	Add lines 1 through 8. Total federal income.	9		00
Line 9 must equal the total income reported on federal Form 1041 (see instructions for Electing Small Business Trust).					
Deductions and Exemption	10	Interest.....	10		00
	11	Taxes (do not include federal income tax deduction)	11		00
	12	Fiduciary fees	12		00
	13	Charitable deduction.....	13		00
	14	Attorney, accountant, and return preparer fees	14		00
	15a	Other deductions not subject to the 2% floor (include schedule).....	15a		00
	15b	Allowable miscellaneous itemized deductions subject to 2% floor	15b		00
	16	Add lines 10 through 15b.....	16		00
	17	Federal adjusted total income or (loss). Subtract line 16 from line 9. (The amount on this line must equal federal Form 1041, line 17.).....	17		00
	18	Montana additions from Schedule A, line 10	18		00
	19	Montana deductions and subtractions from Schedule B, line 9.....	19		00
	20	Add lines 17 and 18, then subtract line 19. Montana adjusted total income or (loss).	20		00
	21	Montana income distribution deduction from Schedule C, line 13, but not less than zero	21		00
	22	Exemption.....	22	2240	00
	23	Add lines 21 and 22. Total Montana income distribution deduction and exemption.	23		00
	24	Subtract line 23 from line 20. Montana taxable income.	24		00



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Taxes and Credits	25	Montana taxable income from line 24.....	25		00
	26	Tax from the tax table. If line 25 is zero or less, enter zero	26		00
	27	2% capital gains tax credit on undistributed capital gains from Schedule E, line 4	27		00
	28	Subtract line 27 from line 26. If zero or less, enter zero. Resident tax after capital gains tax credit.	28		00
	28a	Nonresident, resident part-year tax after capital gains credit from Schedule F, line 17, but not less than zero	28a		00
	29	Tax on lump sum distributions	29		00
	30	Add line 28 or 28a and line 29. Total tax.	30		00
	31	Credit for taxes paid to other states or countries (see instructions on page 21)	31		00
	32	Other nonrefundable credits. List credit form(s)	32		00
	33	Add lines 31 and 32. Total nonrefundable credits.	33		00
Payments and Refundable Credits	34	Subtract line 33 from line 30. If zero or less, enter zero	34		00
	35	Endowment credit recapture tax.....	35		00
	36	Add lines 34, 35 and the ESBT tax liability from Schedule G, line 12. Tax liability.	36		00
	37a	Total Montana income tax withheld. Include federal Form(s) W-2 and 1099.....	37a		00
	37b	Montana income tax withheld allocated to beneficiaries	37b		00
	37	Subtract line 37b from 37a. Montana income tax withheld allocable to the estate or trust.	37		00
	38a	Total Montana pass-through entity withholding. Include Montana Schedule K-1	38a		00
	38b	Montana pass-through entity withholding allocated to beneficiaries	38b		00
	38	Subtract line 38b from 38a. Montana pass-through entity withholding allocable to the estate or trust.	38		00
	Tax	39a	Total Montana mineral royalty tax withheld. Include federal Form(s) 1099 and supporting schedule if any.....	39a	
39b		Mineral royalty tax withheld allocated to beneficiaries.....	39b		00
39		Subtract line 39b from 39a. Mineral royalty tax withheld allocable to the estate or trust.	39		00
40		2012 estimated tax payments and amount applied from the 2011 return.....	40		00
41		2012 extension payments from Form EXT-FID-12.....	41		00
42		Refundable credits. List credit form(s)	42		00
43		Add lines 37 through 42. Total payments and refundable credits.	43		00
44		If line 36 is greater than line 43, subtract line 43 from line 36. Tax due.	44		00
45		If line 43 is greater than line 36, subtract line 36 from line 43. Tax overpaid.	45		00
Penalties and Interest		46	Interest on underpayment of estimated taxes (see instructions on page 6).....	46	
	47	Late file, late payment penalties and interest (see instructions and table on page 6).....	47		00
	48	Other penalties (see instructions on page 6).....	48		00
	49	Add the amounts on lines 46 through 48. Total penalties and interest.	49		00

Continue to page 3 for the calculation of the amount the entity owes or its refund.

2012 Montana Fiduciary 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	\$2,700	1% (0.010)	\$0		\$9,900	\$12,700	5% (0.050)	\$247	
\$2,700	\$4,800	2% (0.020)	\$27		\$12,700	\$16,400	6% (0.060)	\$374	
\$4,800	\$7,300	3% (0.030)	\$75		More Than \$16,400		6.9% (0.069)	\$522	
\$7,300	\$9,900	4% (0.040)	\$148						

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

\$204 Minus \$75 = \$129 Tax

Questions? Call us toll free at (866) 859-2254 (in Helena, 444-6900) or TDD (406) 444-2830 for hearing impaired.



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I declare under penalty of false swearing that the information in this tax return, including accompanying schedules and statements, is true, correct and complete.

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Schedule B – Schedule of Deductions/Subtractions

1	Federal income tax deduction	1		00
2	Exempt interest and mutual fund dividends from federal bonds, notes, and other obligations	2		00
3	State tax refunds included on Form FID-3, line 8	3		00
4	Other recoveries of amounts deducted in earlier years that did not reduce Montana taxable income	4		00
5	Partial pension and annuity income exemption. (See worksheet and instructions.)	5		00
6	Subtraction for federal taxable U.S. Railroad Retirement Board benefits (Tier I and Tier II)	6		00
7	Expenses allocated to other states' interest and mutual fund dividends	7		00
8	Other subtractions. List type and amount	8		00
9	Total deductions/subtractions (add lines 1 through 8). Enter the total on Form FID-3, line 19	9		00

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

1	Montana adjusted total income or (loss) from Form FID-3, line 20. If Montana adjusted total income AND the total from Form FID-3, line 4 are losses, use the smaller loss (see instructions)	1		00
2a	Add: Federal tax exempt income (gross)	2a		00
2b	Less: Expenses allocated to federal tax exempt income	2b		00
2c	Add: Income from federal obligations that is tax exempt for Montana	2c		00
2d	Less: Expenses allocated to income from federal obligations that are tax exempt for Montana	2d		00
2e	Add: Expenses allocated to non-Montana municipal income taxable to Montana	2e		00
2f	Less: Non-Montana municipal income taxable to Montana	2f		00
2	Montana adjusted tax exempt interest income	2		00
3a	Enter the amount from federal Form 1041, Schedule B, line 3	3a		00
3b	Enter the amount from federal Form 1041, Schedule B, line 4	3b		00
3c	Enter the amount from federal Form 1041, Schedule B, line 5	3c		00
3	Total net capital gains. Add lines 3a through 3c	3		00
4	If the amount on Form FID-3, line 4 is a gain, enter as a negative number. If the amount on Form FID-3, line 4 is a loss, enter the loss as a positive number (see instructions)	4		00
5	Montana distributable net income. Combine lines 1 through 4. If zero or less, enter zero (see instructions)	5		00
6	If a complex trust, enter the accounting income for the tax year as determined under the governing instrument	6		00
7	Income required to be distributed currently	7		00
8	Other amounts paid, credited or otherwise required to be distributed	8		00
9	Actual total distributions for the year. Add lines 7 and 8	9		00
10	Tax exempt income included in actual distributions included on line 9	10		00
11	Tentative income distribution deduction based on actual distributions. Subtract line 10 from line 9	11		00
12	Tentative income distribution deduction. Subtract line 2 from line 5. If zero or less, enter zero	12		00
13	Montana income distribution deduction. Enter the smaller of line 11 or line 12 and on Form FID-3, line 21. If zero or less, enter zero	13		00



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Schedule D – Beneficiaries and Montana Income Distributions

List name and address of each beneficiary receiving distributions reported on Form FID-3, line 21. If more than 10 beneficiaries, please see instructions.

	A	B	C	D
	Beneficiary Information: Name Street Address City State Zip Code	Identification Number	Residency Status	Montana Income Distribution Received by Beneficiary
1			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
2			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
3			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
4			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
5			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
6			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
7			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
8			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
9			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
10			☐ Resident	
		SSN	☐ Resident part-year	
		FEIN	☐ Nonresident	00
11			Total	00



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Schedule E – Capital Gains Tax Credit Calculation

1	Enter the capital gain or (loss) from Form FID-3, line 4.....	1		00
2	Enter the net capital gains reported on federal Form 1041, Schedule D, Part III, line 15 column (1) Beneficiaries.....	2		00
3	Subtract line 2 from line 1. This is the amount of net capital gains eligible for the credit	3		00
4	Multiply line 3 by 2% (.02). This is the allowable capital gains tax credit. Enter on Form FID-3, line 27	4		00

Schedule F – Nonresident/Resident Part-Year Estate and Trust Tax

	A Total income	B Montana source income included in column A
1 Interest income.....	00	00
2 Ordinary dividends.....	00	00
3 Business income or (loss)	00	00
4 Capital gain or (loss).....	00	00
5 Rental real estate, royalties, partnerships, S corporations, other estates and trusts, etc.....	00	00
6 Farm income or (loss).....	00	00
7 Ordinary gain or (loss)	00	00
8 Other income	00	00
9 Interest and mutual fund dividends from other states' state, county or municipal bonds	00	00
10 Dividends not included in total federal income	00	00
11 Taxable federal refund	00	00
12 Other recoveries of amounts deducted in earlier years that reduced Montana taxable income.....	00	00
13 Other additions	00	00
14 Add lines 1 through 13 and enter the result here. Column B is the estate or trust's Montana source income.	00	00
15 Divide the amount in column B, line 14 above by the amount in column A, line 14 above and enter result here. Round to 4 decimal places and do not enter more than 1.0000.....		.
16 Enter the resident tax after capital gains tax credit reported on Form FID-3, line 28		00
17 Multiply the tax on line 16 by the percentage on line 15 and enter here and on Form FID-3, line 28a. This is the estate or trust nonresident/resident part-year tax after capital gains tax credit.		00

Schedule F applies to nonresident and resident part-year estates and trusts only. The fiduciary will use this schedule to compute the ratio of Montana source income to total income. This ratio is then multiplied by the resident tax from FID-3, line 28 to determine the nonresident or resident part-year tax to be reported on FID-3, line 28a.

Column A – Enter on lines 1 through 13 the total income from Form FID-3, lines 1 through 8 and Schedule A.

Column B – Enter on lines 1 through 13 the Montana source income from Form FID-3, lines 1 through 8 and Schedule A.

How does a nonresident estate or trust determine its Montana source income?

For further information and a line-by-line description of Montana source income, refer to Form FID-3, Schedule F instructions beginning on page 12.



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Schedule G – Electing Small Business Trust Tax Calculation

1 Total federal adjusted ESBT income (include federal schedule)	1		00
2a Montana additions to ESBT income (include statement).....	2a		00
2b Montana deductions to ESBT income (include statement).....	2b		00
2 Subtract line 2b from 2a	2		00
3 Add lines 1 and 2. Montana adjusted ESBT income.	3		00
4 Tax from tax table. If line 3 is zero or less, enter zero	4		00
5a Net capital gains reported on line 3	5a		00
5 Multiply line 5a by 2%. Capital gains tax credit.	5		00
6 Subtract line 5 from line 4. If zero or less, enter zero. Resident tax after capital gains tax credit.	6		00
<i>If a resident or resident part-year trust, complete lines 7a and 7. If a nonresident trust, skip lines 7a and 7.</i>			
7a Enter the total credit for income taxes paid to another state or country (see instructions).....	7a		00
7 Subtract line 7a from line 6.....	7		00
<i>If a nonresident or resident part-year trust, complete lines 8a through 8c and 8. If a resident trust, skip lines 8a through 8c and 8.</i>			
8a Enter the amount from lines 1 and 2a	8a		00
8b Enter the Montana source income reported on line 3. Include Montana Schedule(s) K-1	8b		00
8c Divide the amount on line 8b by the amount on line 8a (round to 4 decimal places)	8c		
8 Multiply the amount on line 8c by line 6 if a nonresident trust. Multiply the amount on line 8c by line 7 if a resident part-year trust. Nonresident or resident part-year trust tax after capital gains tax credit.	8		00
9 Tax on lump sum distributions	9		00
10 Endowment credit recapture tax	10		00
11 Other nonrefundable credits. List credit form(s)	11		00
12 If a resident trust, add lines 7, 9 and 10. If a nonresident or resident part-year trust add lines 8 through 10. Subtract line 11 from the result. If zero or less, enter zero. Enter here and on Form FID-3, line 36. This is the ESBT tax liability.	12		00



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Schedule H – Reporting of Special Transactions

Complete Schedule H only if the estate or trust filed any of the federal income tax forms described below. Mark the appropriate box indicating which form(s) the estate or trust filed with the Internal Revenue Service for this tax year. If the answer is "Yes" to one or more of these forms, the entity will need to 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
Form 8918 is required to be filed by material advisors to 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.
Form 8824 is used 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
Form 8865 is used 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
Form 8886 is used to disclose information for each reportable transaction in which the estate or trust participated.

