



2014 Montana Fiduciary Estimated Income Tax Worksheet

15-30-2512, MCA

Keep this worksheet for your records

This worksheet helps you calculate an estimate of your 2014 income tax liability based on the information you have available. If your situation changes or you find out values you originally used to complete this worksheet are not accurate, you should complete this worksheet again with the updated information and adjust your remaining payments accordingly.

To estimate your 2013 income tax liability (which is defined as the total tax imposed by Title 15, chapter 30, MCA, less any nonrefundable tax credits allowed under Montana law) you may use your 2013 income tax liability from Form FID-3, line 36. If you choose this method, skip lines 1 through 10a and enter your 2013 tax liability on line 10b; otherwise begin with line 1.

| | | |
|---|-----|-----------------------------------|
| 1. Enter your 2014 estimated Montana adjusted total income here | 1. | <input type="text"/> |
| 2. Enter the estimated amount of your: | | |
| a. 2014 expected income distribution deduction | 2a. | <input type="text"/> |
| b. 2014 exemption..... | 2b. | <input type="text" value="2280"/> |
| Add lines 2a and 2b and enter the result here | | 2. |
| 3. Subtract line 2 from line 1 and enter the result here. This is your 2014 estimated taxable income. If the result is zero or less, stop here. You do not need to make estimated tax payments in 2014 | | 3. |
| 4. Calculate your estimated 2014 income tax: | | |
| a. Multiply the amount on line 3 using the tax table on the second page of this form and enter the result here..... | 4a. | <input type="text"/> |
| b. If you have net capital gains included in your estimated Montana adjusted gross income on line 1, multiply the net capital gains amount (less the amount of net capital gains distributed to a beneficiary) by 2% (0.02) and enter the result here | 4b. | <input type="text"/> |
| Subtract line 4b from 4a and enter the result here. This is your 2014 estimated resident tax after capital gains tax credit. | | 4. |
| 5. Enter your 2014 estimated nonrefundable single-year credits and carryover credits here | | 5. |
| 6. Subtract line 5 from line 4 and enter the result here. This is your 2014 estimated total tax after nonrefundable credits. | | 6. |
| 7. Enter your estimated 2014 recapture taxes here | | 7. |
| 8. Add lines 6 and 7 and enter the result here. This is your 2014 estimated total tax liability. Continue to line 9 on the next page..... | | 8. |

| | | |
|--|------|-----|
| 9. Your 2014 estimated total tax liability from line 8 | 9. | |
| 10. a. Multiply line 9 by 90% (0.90) and enter the result here..... | 10a. | |
| b. Enter 100% of the tax liability shown on your 2013 income tax return Form FID-3, line 36..... | 10b. | |
| Enter the smaller of line 10a or 10b. If you are unable to determine an amount for: (1) line 10a, use the amount on line 10b; or (2) line 10b, use the amount on line 10a | | 10. |
| 11. a. Enter the estimated amount of your Montana income tax and mineral royalty tax withholding in 2014. (Examples include withholding on wages, pensions, annuities, pass-through entities, etc.) | 11a. | |
| b. Enter the amount of your 2013 expected or actual overpayment that will be applied to your 2014 income tax | 11b. | |
| c. Enter the estimated amount of your 2014 refundable credits | 11c. | |
| Add lines 11a, 11b, and 11c and enter the result here. This is your 2014 estimated payments. | | 11. |
| 12. If you completed lines 1 through 9, subtract line 11 from line 9. If the result is less than \$500, stop here. Based on the information you used in your calculations, you do not need to make estimated tax payments in 2014. If the result is \$500 or more, or you did not complete lines 1 through 9, subtract line 11 from line 10 and enter the amount here. Continue to line 13 | | 12. |

Payment Due Dates

13. Divide the amount on line 12 by four (4) and enter the result in each of the columns to the right. This is your estimated tax payment due for each period, unless you have chosen to use the annualized income installment method calculated on Montana Form ESA-FID – Estimated Tax Annualization Worksheet

| a. | b. | c. | d. |
|----------------|---------------|---------------|--------------|
| April 15, 2014 | June 15, 2014 | Sept 15, 2014 | Jan 15, 2015 |
| | | | |

If the payment date falls on a weekend or a holiday, your payment is due on the next business day.

2013 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 | \$2,800 | 1% (0.010) | \$0 | | \$10,100 | \$13,000 | 5% (0.050) | \$252 | |
| \$2,800 | \$4,900 | 2% (0.020) | \$28 | | \$13,000 | \$16,700 | 6% (0.060) | \$382 | |
| \$4,900 | \$7,400 | 3% (0.030) | \$77 | | More Than \$16,700 | | 6.9% (0.069) | \$532 | |
| \$7,400 | \$10,100 | 4% (0.040) | \$151 | | | | | | |

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

\$204 minus \$77 = \$127 tax

Form ESW-FID Instructions

What is the purpose of Form ESW-FID?

The purpose of this form is to assist a fiduciary in calculating the 2014 estimated income tax. Estimated tax payments are a method used to pay tax on income that is not subject to withholding. Examples of income that may not be subject to withholding include interest, dividends, rents, capital gains, royalties, etc.

Is a fiduciary required to make estimated tax payments?

A fiduciary for an estate or trust is required to make estimated tax payments in 2014 if the estate or trust expects to owe an income tax liability of at least \$500 after subtracting tax credits and withholding payments.

If a fiduciary is required to make estimated tax payments, these payments will be the lesser of:

- 100% of the 2013 Montana tax liability reported on Form FID-3, line 36, or
- 90% of the 2014 Montana income tax liability.

Who is not required to make estimated payments?

The fiduciary is not required to make estimated tax payments in 2014 if the estate or trust meets one of the following criteria:

- The 2014 income tax due after credits and withholding is less than \$500,
- The 2013 tax period covered 12 months and the Montana tax due was zero, or
- The estate or trust was not required to file a 2013 Montana income tax return.

When are the estimated tax payments due?

When a fiduciary files an estate's or trust's tax return on a calendar year basis, it may prepay all of the estimated taxes for 2014 by April 15, 2014, or it may pay them in four equal amounts that are due on the dates listed below.

| | | |
|----------------|---|--------------------|
| First payment | - | due April 15, 2014 |
| Second payment | - | due June 15, 2014 |
| Third payment | - | due Sept 15, 2014 |
| Fourth payment | - | due Jan 15, 2015 |

If any of these installment dates fall on a weekend or a holiday, the payment is due on the next business day.

If a fiduciary files an estate's or trust's tax return on a fiscal year basis, the payment dates are the 15th day of the fourth, sixth, and ninth months of the fiscal year and the first month of the following fiscal year.

What does a fiduciary need to do if the income situation for an estate or trust changes during the year?

If an estate's or trust's tax situation changes during the year, the fiduciary will need to recalculate the estimated tax payments. The remaining installment payments will need to be proportionally changed so that the balance of the estimated payments is paid equally over the remaining installment periods.

How does an estate or trust determine the amount of estimated withholding that it will have in 2014?

A fiduciary can use the 2014 paycheck or pension check stubs received to date to estimate the amount of withholding that the estate or trust may have in 2014.

In addition, remember to include in payments any 2013 overpayments that are credited to 2014, any backup withholding that may be made on behalf of the estate or trust from a pass-through entity, or any estimated refundable credits, such as the elderly homeowner/renter credit.

A fiduciary did not make estimated tax payments in 2014 and the income tax due of the estate or trust is more than \$500. Is the estate or trust subject to any penalties and interest on the underpayment?

Yes. A fiduciary is required to pay the income tax liability of an estate or trust throughout the year. Payments can be made through employer withholding, installment payments of estimated taxes, or a combination of employer withholding and estimated tax payments.

If a fiduciary did not pay in advance at least 90% of the 2014 income tax liability (after applying credits) or 100% of the 2013 income tax liability (after applying credits), the fiduciary may have to pay interest on the underpayment of the estimated tax.

How can a fiduciary make estimated tax payments?

- **Pay Electronically.** Please visit our website at revenue.mt.gov under Online Services. You can pay through Taxpayer Access Point (TAP) with an e-check for free or use a credit/debit card. The payment can be scheduled immediately or for a later date. Fiduciaries can also submit an ACH credit estimated payment through a financial institution.
- **Pay by personal check, money order or cashier's check.** Please make the check payable to Montana Department of Revenue. Remember to sign the check and include the federal identification number and "Tax Year 2014-EST" on the memo line. Include a FID payment voucher which can be found on our website at revenue.mt.gov under Forms and Resources. This will ensure accurate application of an estimated payment. Please mail your payment to:

Montana Department of Revenue
PO Box 6309
Helena, MT 59604-6309

Administrative Rules of Montana: 42.17.304 through 42.17.309 and 42.17.313 through 42.17.316

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