

## 2014 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 2014 or tax year beginning 

M	M	D	D	2	0	1	4
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 and ending 

M	M	D	D	Y	Y	Y	Y
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## 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

Mailing Address

City

State

Zip Code + 4

## Enter number of:

Schedules K-1 included

Resident beneficiaries

Nonresident beneficiaries

Other types of beneficiaries

## Entity Type. Mark all that apply.

- ☐ 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

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 <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> .....											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. <b>Total federal income.</b> .....	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 <b>not</b> 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. <b>Montana adjusted total income or (loss).</b> .....	20		00										
	21	Montana income distribution deduction from Schedule C, line 13, but not less than zero .....	21		00										
	22	Exemption.....	22	2330	00										
	23	Add lines 21 and 22. <b>Total Montana income distribution deduction and exemption.</b> .....	23		00										
	24	Subtract line 23 from line 20. <b>Montana taxable income.</b> .....	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. <b>Resident tax after capital gains tax credit.</b> .....	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. <b>Total tax.</b> .....	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. <b>Total nonrefundable credits.</b> .....	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. <b>Tax liability.</b> .....	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. <b>Montana income tax withheld allocable to the estate or trust.</b> .....	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. <b>Montana pass-through entity withholding allocable to the estate or trust.</b> .....	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. <b>Mineral royalty tax withheld allocable to the estate or trust.</b> .....	39		00
40		2014 estimated tax payments and amount applied from the 2013 return .....	40		00
41		2014 extension payments from Form EXT-FID-14 .....	41		00
42		Refundable credits. List credit form(s) .....	42		00
43		Add lines 37 through 42. <b>Total payments and refundable credits.</b> .....	43		00
44		If line 36 is greater than line 43, subtract line 43 from line 36. <b>Tax due.</b> .....	44		00
45		If line 43 is greater than line 36, subtract line 36 from line 43. <b>Tax overpaid.</b> .....	45		00
Penalties and Interest		46	Interest on underpayment of estimated taxes (see instructions on page 5).....	46	
	47	Late file, late payment penalties and interest (see instructions and table on page 5).....	47		00
	48	Other penalties (see instructions on page 6).....	48		00
	49	Add the amounts on lines 46 through 48. <b>Total penalties and interest.</b> .....	49		00

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

### 2014 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		\$10,300	\$13,300	5% (0.050)	\$257	
\$2,800	\$5,000	2% (0.020)	\$28		\$13,300	\$17,100	6% (0.060)	\$390	
\$5,000	\$7,600	3% (0.030)	\$78		More Than \$17,100		6.9% (0.069)	\$544	
\$7,600	\$10,300	4% (0.040)	\$154						

For example: Taxable income \$6,800 X 3% (0.030) = \$204      \$204 minus \$78 = \$126 tax

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



Amount the Entity Owes or Its Refund	50	If the estate or trust has a tax due (amount on line 44), add lines 44 and 49 OR, if the estate or trust has a tax overpayment (amount on line 45) and it is less than line 49, subtract line 45 from line 49. Enter the result. <b>This is the amount the estate or trust owes.</b> .....	50	00
	<b>Why not e-pay? See your options at <a href="http://revenue.mt.gov">revenue.mt.gov</a>. If writing a check, please make it payable to MONTANA DEPARTMENT OF REVENUE.</b>			
	51	If the estate or trust has a tax overpayment (amount on line 45) and it is greater than line 49, subtract line 49 from line 45. Enter the result. <b>Overpayment.</b> .....	51	00
	52	Enter the amount on line 51 that the estate or trust wants applied to the 2015 estimated tax .....	52	00
	53	Subtract line 52 from line 51 and enter the result. <b>Refund.</b> .....	53	00

### Direct Deposit Your Refund

Complete 1, 2, 3 and 4 (please see instructions).

1. RTN#

2. ACCT#

3. If using direct deposit, the estate or trust is required to mark one box.

☐ Checking

☐ Savings

4. Is this refund going to an account that is located outside of the United States or its territories?

☐ Yes

☐ No

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Fiduciary (or officer representing fiduciary)	Date	FEIN of Fiduciary (if a financial institution)	Telephone Number
X			

Print/Type Preparer's Name	Preparer's Signature	Date	PTIN
Firm's Name	Firm's FEIN		
Firm's Address	Telephone Number		

May the DOR discuss this return with the tax preparer?

☐ Yes

☐ No

Please send your completed Form FID-3 to: Montana Department of Revenue  
PO Box 8021  
Helena, MT 59604-8021



See electronic options at  
[revenue.mt.gov](http://revenue.mt.gov)

### Schedule A – Schedule of Additions

1	Interest and mutual fund dividends from state, county or municipal bonds from other states .....	1	00
2	Dividends not included in federal total income .....	2	00
3	Taxable federal refund .....	3	00
4	Other recoveries of amounts deducted in earlier years that reduced Montana taxable income .....	4	00
5	Montana income taxes paid or accrued .....	5	00
6	Compensation and expenditures used to compute the film production credit .....	6	00
7	Insure Montana Small Business Health Insurance Program premiums used to compute the credit .....	7	00
8	Expenses allocated to U.S. obligations .....	8	00
9	Other income. List type and amount .....	9	00
10	<b>Total additions</b> (add lines 1 through 9). Enter the total on Form FID-3, line 18 .....	10	00



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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	<b>Total deductions/subtractions</b> (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	<b>Montana income distribution deduction.</b> 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			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
2			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
3			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
4			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
5			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
6			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
7			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
8			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
9			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
10			<input type="checkbox"/> Resident	
		SSN	<input type="checkbox"/> Resident part-year	
		FEIN	<input type="checkbox"/> Nonresident	00
			<b>Total</b>	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 19 column (1) Beneficiaries.....	2		00
3	Subtract line 2 from line 1. Net capital gains eligible for the credit.....	3		00
4	Multiply line 3 by 2% (.02). <b>Allowable capital gains tax credit.</b> 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. <b>Column B is the estate or trust's Montana source income.</b> .....	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 6 decimal places and do not enter more than 1.000000 .....		<input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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. <b>Estate or trust nonresident/resident part-year tax after capital gains tax credit.</b> .....		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 11.



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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. <b>Montana adjusted ESBT income.</b> .....	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%. <b>Capital gains tax credit.</b> .....	5		00
6	Subtract line 5 from line 4. If zero or less, enter zero. <b>Resident tax after capital gains tax credit.</b> .....	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 6 decimal places) .....	8c	<input type="text"/> . <input type="text"/>	
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. <b>Nonresident or resident part-year trust tax after capital gains tax credit.</b> .....	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. <b>ESBT tax liability.</b> .....	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  
Material advisors are required to file Form 8918 for 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.

