

# Montana Schedule K-1

(FID-3)

Beneficiary's Share of Income (Loss), Deductions, Credits, etc.

For the year January 1 - December 31, 2009, or tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_.

## Part 1 - Estate or Trust Information

<b>A</b> Estate's or trust's federal employer identification number (FEIN) _____	<b>Check applicable box(es):</b> <input type="checkbox"/> Final Schedule K-1 <input type="checkbox"/> Amended Schedule K-1
<b>B</b> Name of estate or trust _____	
<b>C</b> Fiduciary's name and mailing address _____	

## Part 2 - Beneficiary Information

<b>A</b> Beneficiary's identifying number (SSN/FEIN) _____
<b>B</b> Beneficiary's name and mailing address _____
<b>C</b> What type of entity is this beneficiary? _____
<b>D</b> If beneficiary is an individual, estate, or trust, the beneficiary is a: <input type="checkbox"/> Full-year resident <input type="checkbox"/> Part-year resident <input type="checkbox"/> Full-year nonresident

## Part 3 - All Beneficiaries—Montana Adjustments

**A** Beneficiary's share of federal income distribution deduction ..... A. \_\_\_\_\_ Information only; see instructions.

### B Montana additions to income

1. Interest and mutual fund dividends from other states' state, county and municipal bonds ..... B1. \_\_\_\_\_
2. Dividends not included in federal total income ..... B2. \_\_\_\_\_
3. Other income. List type \_\_\_\_\_ and amount ..... B3. \_\_\_\_\_

### C Montana subtractions from income

1. Exempt interest and mutual fund dividends from federal bonds, notes and other obligations ..... C1. \_\_\_\_\_
2. Partial pension and annuity income exemption. See worksheet and instructions ..... C2. \_\_\_\_\_
3. Federal taxable U.S. Railroad Retirement Board benefits (Tier I and Tier II) ..... C3. \_\_\_\_\_
4. Other subtractions. List type \_\_\_\_\_ and amount ..... C4. \_\_\_\_\_

**D** Montana total income distribution to beneficiary ..... D. \_\_\_\_\_ Information only; see instructions.

## Part 4 - Nonresident individual, estate or trust beneficiary only—Montana source income (loss)

1. Ordinary business income (loss) ..... 1. \_\_\_\_\_
2. Net rental real estate income (loss) ..... 2. \_\_\_\_\_
3. Other net rental income (loss) ..... 3. \_\_\_\_\_
4. Guaranteed payments ..... 4. \_\_\_\_\_
5. Interest income ..... 5. \_\_\_\_\_
6. Ordinary dividends ..... 6. \_\_\_\_\_
7. Royalties ..... 7. \_\_\_\_\_
8. Net short-term capital gain (loss) ..... 8. \_\_\_\_\_
9. Net long-term capital gain (loss) ..... 9. \_\_\_\_\_
10. Net section 1231 gain (loss) ..... 10. \_\_\_\_\_
11. Other income (loss). List type \_\_\_\_\_ and amount ..... 11. \_\_\_\_\_

## Part 5 - Supplemental information

1. Mineral royalties tax withholding ..... 1. \_\_\_\_\_
2. Other information. List type \_\_\_\_\_ and amount ..... 2. \_\_\_\_\_

## Beneficiary's Instructions for Montana Schedule K-1

### General Instructions

The Montana Schedule K-1 is similar to the federal Schedule K-1 in that it is used to report the beneficiary's share of income, gains, losses, deductions and other items. However, the format of the Montana Schedule K-1 differs from that of the federal Schedule K-1—therefore the federal Schedule K-1 cannot serve as a substitute for the Montana Schedule K-1.

### Purpose of Montana Schedule K-1

Montana Schedule K-1 is provided to you by the fiduciary for the estate or trust to show your share of the income, gains, losses, deductions, and other items from the estate or trust that you need to complete your Montana income tax return. These instructions will assist you in transferring the amounts from the schedule to your Montana income tax return.

**Partnership or corporation beneficiary.** If you are a corporation, partnership, or a limited liability company treated like a corporation or partnership, you have received the Montana Schedule K-1 only to show your share of the estate's or trust's Montana statutory adjustments that may affect the preparation of your Montana income tax return.

**Resident individual, estate, or trust beneficiary.** If you are a Montana resident individual, estate, or trust, you need to report to Montana your entire share of the entity's income, gains, losses, and deductions that are included in your federal taxable income. You have received the Montana Schedule K-1 only to show your share of the estate's or trust's Montana statutory adjustments that may affect the preparation of your Montana income tax return.

**Nonresident individual, estate, or trust beneficiary.** If you are a nonresident individual, estate, or trust, you need to report to Montana your share of the estate's or trust's income, gains, losses, and deductions having their source in Montana. These items are shown in Part 4 of the Montana Schedule K-1. You need to file a Montana income tax return to report and pay the required income tax on these items.

**Amended Schedule K-1.** If you received an amended Montana Schedule K-1 from the estate or trust, and you previously filed a Montana income tax return, you need to file an amended Montana income tax return to report the changes in income, gains, losses, and deductions. You also need to attach a copy of the amended Montana Schedule K-1 to your amended Montana income tax return.

**Heading information.** Provide the tax period information if the return is filed for other than the 2009 calendar year. Enter in the upper right area of the form if the Schedule K-1 is either a final Schedule K-1 or an amended Schedule K-1.

### Part 1 – Information About the Estate or Trust

Enter on line A the estate's or trust's federal employer identification number (FEIN).

Enter on line B the estate's or trust's name.

Enter on line C the fiduciary's name and mailing address (street address or post office box, city, state and zip code).

### Part 2 – Information About the Beneficiary

**Line A.** Enter the beneficiary's social security number or federal employer identification number.

**Line B.** Enter the name and mailing address (street address or post office box, city, state and zip code) of the beneficiary.

**Line C.** Enter the entity type of the beneficiary (individual, estate, trust, partnership, S corporation, C corporation or disregarded entity).

**Line D.** Check the box to indicate if the beneficiary is a resident or nonresident. Any pass-through entity not incorporated or registered in Montana should check the nonresident box.

### Part 3 – All Beneficiaries – Montana Adjustments

**Beneficiary's share of federal income distribution deduction.** Fill in the total amount of the beneficiary's federal distributive share of income or loss from the estate or trust form Schedule D, line 1, page 3. This is for your information only.

### Montana Additions or Subtractions

To compute Montana income taxable to beneficiaries, certain items have to be added to income or subtracted from income. Fill in the beneficiary's share of Montana additions and subtractions from the corresponding lines on Schedules A and B, column B. Transfer the amount(s) shown to the individual income tax or corporate license tax return.

**Montana total income distribution to beneficiary.** The total on this line should be the same as the beneficiary's Montana income distribution received on Schedule E, column D of the estate's or trust's return. This is for your information only.

### Part 4 – Nonresident Beneficiary's Share of Montana Source Income (Loss)

If you are a nonresident individual, estate or trust, you will need this information to calculate your Montana tax liability when you file your Montana income tax return. Corporation or pass-through entities may need this information to report their Montana source income. Your share of the estate's or trust's distributed Montana income, gains, losses and other additions to income that you need to report on your Montana income tax return are shown. Transfer these amounts to your Montana income tax return based on the type of return you are filing.

### Part 5 – Supplemental Information

Supplemental information which could result in adjustments to the individual income or corporation license tax return is listed. Include the amount from this schedule on the individual income or corporation license tax return.

**Mineral royalties tax withheld.** If the estate or trust received royalty payments subject to state income tax withholding and distributed this amount to the beneficiary, the amount distributed to the beneficiary is listed. Transfer this amount to your Montana income tax return.