Montana Department of REVENUE

2007 Montana Partnership Information and Composite Tax Return

Clear Form

Attach a copy of federal Form 1065 and Schedule K-1(s)

P

MONTANA
PR-1
Rev. 8-07

For calendar year 2007 or tax year beginning (MM-DD) ___ ___ **07** and ending (MM-DD-YY) ___ ___ ___

Name	Check box if this is a change of address. ☐	FEIN: _____
Address		Federal Business Code: _____
City State Zip + 4		Date Registered in Montana: _____

☐ Check here, if you do not need the Montana Partnership Information Return and Instructions sent to you next year.
☐ Check here, if you are filing Schedule V, Backup Withholding Payments with this return.
☐ Check here, if you are requesting a refund with this return.

☐ Check if this an initial return
☐ Check if this is a final return
Reason for final return
a. Withdrawn a. ☐
b. Dissolved b. ☐
c. Merged c. ☐
d. Reorganized d. ☐

☐ Check here if this is an amended return
If you check the box above, check all that apply below:
a. Federal Revenue Agent Report (a complete copy of this report is required) a. ☐
b. Apportionment factor changes (attach a statement explaining adjustments) b. ☐
c. Amended federal return c. ☐
d. Amended composite return d. ☐
e. Other (attach a statement explaining all adjustments in detail) e. ☐

Partners' Distributive Share Items (Form 1065, Schedule K)

1. Ordinary business income (loss) ..... 1.
2. Net rental real estate income (loss) (attach federal Form 8825) ..... 2.
3. a. Other gross rental income (loss) ..... 3a.
   b. Expenses from other rental activities (attach schedule) ..... 3b.
   c. Subtract line 3b from line 3a. **This is your other net rental income or loss.** ..... 3c.
4. Guaranteed payments ..... 4.
5. Interest income ..... 5.
6. Ordinary dividends ..... 6.
7. Royalties ..... 7.
8. Net short-term capital gain (loss) (attach federal Schedule D, Form 1065) ..... 8.
9. Net long-term capital gain (loss) (attach federal Schedule D, Form 1065) ..... 9.
10. Net section 1231 gain (loss) (attach federal Form 4797) ..... 10.
11. Other income (loss) (attach detailed schedule) ..... 11.
12. Add lines 1 through 11 and enter result. **This is your total share of income or loss.** ..... 12.

Partners' Shares of Deduction (Form 1065, Schedule K)

13. Enter section 179 deduction (attach federal Form 4562) ..... 13.
14. a. Contributions ..... 14a.
    b. Investment interest expense ..... 14b.
    c. Section 59(e)(2) expenditures. (attach detailed schedule) ..... 14c.
    d. Other deductions (attach detailed schedule) ..... 14d.
15. Add lines 13 through 14d and enter result. **This is your total share of deductions.** ..... 15.

Partners' Distributive Shares of Montana Additions and Exclusions to Income

16. a. Interest and dividends not taxable under the Internal Revenue Code (see instructions) ..... 16a.
    b. Taxes based on income or profits ..... 16b.
    c. Other additions (attach detailed breakdown) ..... 16c.
    Add lines 16a, 16b, and 16c and enter result. **This is your total Montana additions to income.** ..... 16.
17. a. Interest on U.S. Government obligations (attach schedule) ..... 17a.
    b. Deduction for purchasing recycled material (attach Form RCYL) ..... 17b.
    c. Other deductions (attach detailed breakdown) ..... 17c.
    Add lines 17a, 17b, and 17c and enter result. **This is your total Montana deductions to income.** ..... 17.
18. Subtract line 15 from line 12. Add the result to line 16, then subtract line 17 from that result ..... 18.

Partners' Distributive Shares of Multi-state Apportionment and Allocation

19. Multi-state taxpayers: Enter line 18 x _____ % from Montana Schedule I, line 5 ..... 19.
20. Multi-state taxpayers should enter here their income or loss that they allocate directly to Montana ..... 20.

Entity Name _____ Tax period ending _____ FEIN _____

Calculation of Net Amount Due

Partnership Information Return Late Filing Penalty

21. Partnership information return late filing penalty (see instructions) ..... 21.

Partnership Composite Return Tax

22. Enter your Montana total composite tax from Schedule IV, column J ..... 22.

Return Payments

23. a. 2006 overpayment applied to 2007 ..... 23a.
    b. 2007 estimated payments ..... 23b.
    c. 2007 extension payment ..... 23c.
    d. Other payments ..... 23d.
    e. Previously issued refunds (amended return only - see instructions) ..... 23e. ( )
    f. Add lines 23a through 23e and enter the result here. **This is the total of your return payments.** ..... 23f.
24. Subtract line 23f from line 22 and enter the result here ..... 24.

This is your Montana net composite tax due or overpaid.

Composite Return Penalties and Interest Calculation

25. Interest on underpayment of estimated taxes ..... 25.
26. Composite income tax return late filing penalty ..... 26.
27. Composite income tax return late payment penalty ..... 27.
28. Interest (see instructions) ..... 28.
29. Add lines 25 through 28 and enter the result here ..... 29.

This is your Montana composite penalties and interest.

Refund or Amount Owed

30. Add lines 21, 24 and 29 and enter the result here ..... 30.
31. If line 30 results in a net amount due, enter it here. **This is the amount you owe.** ..... 31.
32. If the amount on line 30 results in an overpayment, enter it here. **This is your overpayment.** ..... 32.
33. Enter the amount on line 32 you want applied to your 2008 composite estimated tax ..... 33.
34. Subtract line 33 from line 32 and enter the amount here. **This is your refund.** ..... 34.

Partnership Backup Withholding Payment from Schedule V

35. Enter your Montana corporation license tax withheld from Schedule V, column D ..... 35.
36. Enter your Montana individual income tax withheld from Schedule V, column E ..... 36.
37. Payments previously made for tax withheld ..... 37. ( )
38. Add lines 35 through 37. **This is your total partnership backup withholding due.** ..... 38.
39. Add lines 31 and 38. **This is your total due.** ..... 39.

This return has to be signed by a general partner or limited liability company member.

Declaration

I, the undersigned general partner or limited liability company member of the partnership for which this return is made, hereby declare that this return, including all accompanying schedules and statements, is to the best of my knowledge and belief a true, correct and complete return, made in good faith for the income period stated, pursuant to the Montana statutes and regulations.

Signature of partner | Date

Print name | Title | Telephone number, ext.

Name of person or firm preparing return | Date

Preparer's identification number | Telephone number

☐ Check this box and attach a copy of your federal Form 7004 to receive your Montana extension.

☐ Check here to authorize the Montana Department of Revenue to discuss your return with the individual/preparer listed above.

Schedule I

Entity name _____ Tax period ending _____ FEIN _____

Apportionment Factors for Multi-state Partnerships

Enter amounts in columns A and B. Enter percentages in column C.	A. Everywhere	B. Montana	C. Factor
1. Property Factor: Use average value for real and tangible personal property			
1a. Land ..... 1a.			
1b. Buildings ..... 1b.			
1c. Machinery ..... 1c.			
1d. Equipment ..... 1d.			
1e. Furniture and fixtures ..... 1e.			
1f. Leased property ..... 1f.			
1g. Inventories ..... 1g.			
1h. Supplies and other ..... 1h.			
1i. Property of foreign subsidiaries included in combined unitary group ..... 1i.			
1j. Property of unconsolidated subsidiaries included in combined unitary group ..... 1j.			
1k. Property of pass-through entities included in combined unitary group ..... 1k.			
1l. Multiply amount of rents by 8 and enter result ..... 1l.			
Total Property Value add lines 1a through 1l			
Take the total in column B and divide it by the total in column A. Multiply the result by 100. **This is your property factor.** ..... 1.			%
2. Payroll Factor:			
2a. Compensation of officers ..... 2a.			
2b. Salaries and wages ..... 2b.			
Payroll included in:			
2c. Costs of goods sold ..... 2c.			
2d. Repairs ..... 2d.			
2e. Other deductions ..... 2e.			
2f. Payroll of foreign subsidiaries included in combined unitary group ..... 2f.			
2g. Payroll of unconsolidated subsidiaries included in combined unitary group ..... 2g.			
2h. Payroll of pass-through entities included in combined unitary group ..... 2h.			
Total Payroll Value add lines 2a through 2h			
Take the total in column B and divide it by the total in column A. Multiply the result by 100. **This is your payroll factor.** ..... 2.			%
3. Sales (Gross Receipts) Factor:			
3a. Gross sales, less returns and allowances ..... 3a.			
3b. Sales delivered or shipped to Montana purchasers:			
(1) Shipped from outside Montana ..... 3b.(1)			
(2) Shipped from within Montana ..... 3b.(2)			
3c. Sales shipped from Montana to:			
(1) United States Government ..... 3c.(1)			
(2) Purchasers in a state where the taxpayer is not taxable ..... 3c.(2)			
3d. Sales other than sales of tangible personal property (i.e. service income) 3d			
3e. Less: Intercompany sales ..... 3e.	( )	( )	
3f. Net gains reported on federal Schedule D and federal Form 4797 ..... 3f.			
3g. Other gross receipts (rents, royalties, interest, etc) ..... 3g.			
3h. Sales (receipts) of foreign subsidiaries included in combined unitary group ..... 3h.			
3i. Sales (receipts) of unconsolidated subsidiaries included in combined unitary group ..... 3i.			
3j. Sales (receipts) of pass-through entities included in combined unitary group ..... 3j.			
3k. Less: Other intercompany transactions ..... 3k.	( )	( )	
Total Sales Value add lines 3a through 3k			
Take the total in column B and divide it by the total in column A. Multiply the result by 100. **This is your sales factor.** ..... 3.			%
4. Add the percentages on lines 1, 2, and 3 in column C. **This is the sum of your factors.** ..... 4.			%
5. Divide the total percentage on line 4, column C, by the number of factors that can be included in the calculation. If there is a value in column A for a factor category (Property, Payroll, or Sales) you should include this factor as part of the calculation (see instructions). Enter the results here and also insert in line 19, page 1 of Form PR-1. **This is your apportionment factor.** ..... 5.			%

Schedule II

Entity Name _____ Tax period ending _____ FEIN _____

Montana Partnership Tax Credits	
Type of Credit	**Amount of Credit**
1. Montana Dependent Care Assistance Credit .....attach Form DCAC	
2. Montana College Contribution Credit .....attach Form CC	
3. Health Insurance for Uninsured Montanans Credit ..... attach Form HI	
4. Montana Recycle Credit ..... attach Form RCYL	
5. Alternative Energy Production Credit ..... attach Form AEPC	
6. Contractor's Gross Receipts Tax Credit ..... attach supporting schedule	
7. Alternative Fuel Credit ..... attach Form AFCR	
8. Infrastructure Users Fee Credit	
9. Qualified Endowment Credit..... attach Form QEC	
9a. Qualified Endowment Credit Recapture	( )
10. Historical Buildings Preservation Credit .....attach federal Form 3468	
10a Historical Buildings Preservation Credit Recapture	( )
11. Increase Research and Development Activities Credit.....attach Form RSCH	
12. Mineral Exploration Incentive Credit..... attach Form MINE-CRED	
13. Developmental Disability Account Contribution Credit	
14. Empowerment Zone Credit	
15. Film Production Credit .....attach Form FPC	
15a Film Production Credit Recapture	( )
16. Biodiesel Blending and Storage Credit..... attach Form BBSC	
16a. Biodiesel Blending and Storage Credit Recapture	( )
17. Oilseed Crushing and Biodiesel Production Credit..... attach Form OSC	
17a Oilseed Crushing and Biodiesel Production Credit Recapture	( )
18. Geothermal System Credit..... attach Form ENRG-A	
19. Insure Montana small business health insurance credit. Business FEIN: _____	
Add lines 1 through 19 and enter result. **This is the amount of your total credits.**	

Any credit allowed to a partnership has to be attributable to its partners using the same proportion that is used when it reported that partnership's income or loss for Montana income tax purposes. Please provide a detailed breakdown that shows each partner's share of the credit.

In order to receive these credits, all partners will have to attach their applicable credit forms to their individual income or corporation license tax returns.

Schedule III

Entity Name_____Tax period ending _____FEIN _____

Montana Partnership Information

Enter the total number of partners that own this partnership_____.

All Partners				Nonresident Partner Additional Information Columns E through H must be filled out for all nonresident individual, foreign C corporation, and eligible second tier entity partners.			
A	B	C	D	E	F	G	H
Name and address of partner Name Street Address City | State | Zip Code	Identification Number	Ownership %	Montana source income	Federal income from entity (from federal Schedule K-1)	Composite income tax (from Schedule IV, column J)	Partner withholding (from Schedule V, column D or E)	Consent agreement or statement (enter year signed)
1.	SSN FEIN	0.00%					
2.	SSN FEIN	0.00%					
3.	SSN FEIN	0.00%					
4.	SSN FEIN	0.00%					
5.	SSN FEIN	0.00%					
6.	SSN FEIN	0.00%					
7.	SSN FEIN	0.00%					
Column Totals							

Use additional sheets if necessary or you may create your own schedule if you use the exact same format used here.

Schedule IV

Entity Name_____Tax period ending _____FEIN _____

Montana Partnership Composite Income Tax Schedule

Eligible Participating Partners: An eligible participant is a partner who is a nonresident individual, a foreign C corporation, or a pass-through entity whose only Montana source income for the tax year is from this entity and from other pass-through entities who have elected to file a composite return and pay a composite tax on behalf of the eligible participating partner. The entity must retain an executed power of attorney signed by the eligible participating partner, authorizing the partnership to file a composite return and act on the partner's behalf.

Enter the total number of partners that own this partnership _____.

Enter below in columns A through J the required information and amounts for each eligible participating partner.

A	B	C	D	E	F	G	H	I	J
Name	Social Security Number or Federal Employer Identification Number	Federal income from entity	Standard deduction	Exemption $2,040	Calculate Montana taxable income. Subtract column D from column C then subtract column E from the result.	Enter the appropriate tax from the tax table below.	Montana source income	Ratio. Divide column H by column C and enter result.	Montana composite income tax. Multiply column G times column I and enter result.
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
13.									
14.									
Column J Total									

Transfer the total from column J to PR-1, page 2, line 22.

Use additional sheets if necessary or you may create your own schedule if you use the exact same format used here.

If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax	If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax
$0	$2,500	0.010	$0		$9,000	$11,600	0.050	$225	
$2,500	$4,400	0.020	$25		$11,600	$14,900	0.060	$341	
$4,400	$6,600	0.030	$69		$14,900	or more	0.069	$475	
$6,600	$9,000	0.040	$135						

Schedule V

Entity Name_____ Tax period ending _____ FEIN_____

Pass-Through Entity Backup Withholding Schedule

Enter the appropriate information below.

Total number of partners subject to Schedule V _____

A	B	C	D	E
Name and address of nonresident individual, foreign C corporation and second tier pass-through entity	Identification number	Income and backup withholding		
		Montana source income reported on Form PT-WH, line 1	Montana corporation tax withheld	Montana individual tax withheld
			Multiply column C by 6.75% and enter result.	Multiply column C by 6.9% and enter result.
1.				
	SSN			
	FEIN			
2.				
	SSN			
	FEIN			
3.				
	SSN			
	FEIN			
4.				
	SSN			
	FEIN			
5.				
	SSN			
	FEIN			
6.				
	SSN			
	FEIN			
7.				
	SSN			
	FEIN			
Column totals (transfer to Form PR-1, page 2, lines 35 and 36)				
Add totals from column D and column E and enter the result here. **This is your total backup withholding.**				

Use additional sheets if necessary or you can create your own schedule if you use the exact format used here.

Schedule VI

Entity Name _____ Tax period ending _____ FEIN _____

Reporting of Special Transactions

Complete Schedule VI only if your partnership filed for federal income tax purposes any of the federal forms described below. Check the appropriate box indicating which form(s) you filed with your federal income tax return. If your answer is "Yes" to one or more of these forms, you will need to attach a complete copy of your federal income tax return Form 1065.

1. **I filed federal Form 8264 – Application for Registration of a Tax Shelter with the Internal Revenue Service.** ❑ Yes

   Form 8264 is required to be filed to register a tax shelter.

2. **I filed federal Form 8271 – Investor Reporting of Tax Shelter Registration Number with the Internal Revenue Service.** ❑ Yes

   Form 8271 is used to report the tax shelter registration number that the Internal Revenue Service assigns to certain tax shelters required to be registered under 26 USC 6111 and to report the name and identifying number of the tax shelter.

3. **I filed federal Form 8824 – Like-Kind Exchanges with the Internal Revenue Service.** ❑ Yes

   NOTE: Check this box if your like-kind exchange includes Montana property. Non-residents 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.

4. **I 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).

5. **I 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 you participated.

6. **I filed federal Form 13750 – Election to Participate in Announcement 2005-80 Settlement Initiative with the Internal Revenue Service.** ❑ Yes

   Form 13750 is an election to participate in the settlement initiative as described in Announcement 2005-80 and as contained in Internal Revenue Bulletin 2005-46 dated November 14, 2005.

Complete this section if you made a disbursement to a related party

7. **During this tax year I have made payments to related parties (excluding salary compensation) that exceed $100,000 per recipient.** ❑ Yes

   If your answer is "Yes" to this question, please provide the name and federal employer identification number of each related party below and the amount that you paid to each related party:

Name	FEIN	Amount of Payment