



# Montana Schedule K-1 (PTE)

2024v1  
5/2024

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

For the calendar year 2024, or tax year beginning  and ending

Mark applicable boxes:  Amended Schedule K-1  Final Schedule K-1

### Part I. Pass-through Entity Information

Name  FEIN

Mailing Address

City  State  ZIP Code

### Part II. Owner Information

Name  FEIN

Mailing Address  or SSN

City  State  ZIP Code  Beneficial Owner FEIN  or SSN

Owner Type  Resident  Nonresident

- Special Allocations (See instructions) Profit and loss percentage  %
- The owner is included in a PTET election Capital/Ownership  %
- Resident owner PTET election (See instructions)
- The owner is included in a composite income tax return

| Part III. Montana Adjustments (See worksheet on page 9) | A |            | B |         |
|---|---|------------|---|---------|
|   |   | Everywhere |   | Montana |
| 1 Additions   | 1 | 00         |   | 00      |
| 2 Subtractions  | 2 | 00         |   | 00      |

### Part IV. Distributive Share of Montana Source Income (Loss)

|   |    |    |  |    |
|---|----|----|--|----|
| 1 Ordinary business income (loss)                   | 1  | 00 |  | 00 |
| 2 Net rental real estate income (loss)              | 2  | 00 |  | 00 |
| 3 Other net rental income (loss)                    | 3  | 00 |  | 00 |
| 4a Guaranteed payments: services                    | 4a | 00 |  | 00 |
| 4b Guaranteed payments: capital                     | 4b | 00 |  | 00 |
| 5 Interest income                                   | 5  | 00 |  | 00 |
| 6 Ordinary dividends                                | 6  | 00 |  | 00 |
| 7 Royalties   | 7  | 00 |  | 00 |
| 8 Net short-term capital gain (loss)                | 8  | 00 |  | 00 |
| 9 Net long-term capital gain (loss)                 | 9  | 00 |  | 00 |
| 10 Net section 1231 gain (loss)                     | 10 | 00 |  | 00 |
| 11 Other income (loss) (include detailed statement) | 11 | 00 |  | 00 |
| 12 Section 179 expense deduction                    | 12 | 00 |  | 00 |
| 13 Other expense deductions                         | 13 | 00 |  | 00 |
| 14 Total distributive share (See instructions)      | 14 | 00 |  | 00 |

### Part V. Supplemental Information

The owner filed Form PT-AGR Year   The owner is a Domestic 2nd tier PTE

1 PTET paid on behalf of owner. (See instructions) 1  00

2 Montana composite income tax paid on behalf of owner 2  00

3a Montana income tax withheld on behalf of owner. (See instructions) 3a  00

3b Montana income tax withheld by a lower tier pass-through entity 3b  00

3c Add lines 3a and 3b. **This is your total Montana income tax withheld on your behalf.** 3c  00

4 Montana mineral royalty tax withheld 4  00

5 Other information. List type  and amount 5  00

### Part VI. Tax Credits

| Code | Credit Authorization Number | Amount of Credit |
|------|-----------------------------|------------------|
| 1    |                             | 00               |
| 2    |                             | 00               |

### Part VII. Montana Adjustments Detail: Enter the amount and code of each adjustment entered on Part 3. (See instructions)

|                             |    |                             |    |                             |    |
|-----------------------------|----|-----------------------------|----|-----------------------------|----|
| 1 Code <input type="text"/> | 00 | 2 Code <input type="text"/> | 00 | 3 Code <input type="text"/> | 00 |
| 4 Code <input type="text"/> | 00 | 5 Code <input type="text"/> | 00 | 6 Code <input type="text"/> | 00 |



\*24TT1201\*

## Owner's Instructions for Montana Schedule K-1 (Form PTE)

**Note:** These instructions should be used by the owner to report information from the Montana Schedule K-1 on their Montana tax return. For more information on how to prepare the Montana Schedule K-1 for each owner, refer to the instructions included in the Form PTE instruction booklet.

The Montana Schedule K-1 is required to be provided to all owners. It shows information about an owner's share of Montana source income, gains, losses, deductions, credits, and other items from a pass-through entity. **The federal Schedule K-1 cannot serve as a substitute for the Montana Schedule K-1.**

**Partnership or corporation owner.** If you are a corporation, partnership, or a limited liability company treated like a corporation or partnership, the Montana Schedule K-1 shows your share of Montana source income and Montana statutory adjustments from the entity that may affect the preparation of your Montana tax return.

**Resident individual, estate, or trust owner.** Your entire share of the entity's income, gains, losses, and deductions that are includable in your federal taxable income (Part IV), adjusted for Montana (Part III), is taxable income. Column B, Parts III and IV, will be blank.

**Nonresident individual, estate, or trust owner.** If you are a nonresident, your share of the entity's income, gains, losses, deductions, and adjustments that are Montana source income is used to determine your Montana tax liability on Form 2 or Form FID-3. The amounts in Part IV, Column A, are included in your federal taxable income. Report the amounts from Part 3, Column A, on the Form 2, Schedule I – Montana Adjustments to Federal Taxable Income, or Form FID-3, Schedule I. Report the amounts from Part 4, Column B, and Part 3, Column B, on the Form 2, Schedule II – Tax on Montana Source Income, or Form FID-3, Schedule I, Column B.

If you are a part-year resident, your share of Montana source income consists of your portion of everywhere income and adjustments from Part IV, Column A, received as a resident, and your portion of Montana source income and Montana source adjustments from Part IV, Column B, received while you were a nonresident. See the Form 2, Schedule II – Tax on Montana Source Income instructions.

Some restrictions apply to estates and trusts. See the Form FID-3 instructions for more details.

**Pass-through entity tax election.** See Part V, line 1 for instructions.

**Composite return election.** If you are an eligible participant in a composite return filed on your behalf by the entity, **do not file your own Montana tax return.** If this applies to you, you received the Montana Schedule K-1 to show your share of tax items the entity reported, and the composite tax paid on your behalf.

**Beneficial Owner.** This is the taxpayer identification number of the taxpayer who will be claiming the income reported on this Schedule K-1 on their tax return. If the Montana Schedule K-1 is issued to a corporation that is included in a unitary filing, the parent corporation's FEIN is reported here. If the Montana Schedule K-1 is issued to a grantor trust, the grantor's TIN is reported here.

**Amended Schedule K-1 (PTE).** If you received an amended Montana Schedule K-1 from the entity, you may need to file an amended Montana tax return to report the changes in Montana source income and adjustments.

*Important:* For Montana resident individuals, estates, and trusts, Column B, Parts III and IV are for informational purposes only and pertain to the election to pay the pass-through entity tax.

### Part III – Montana Adjustments

To compute Montana income taxable to pass-through entity owners, certain items must be added to income or deducted from income. The amounts listed are your share of additions and subtractions.

If you are an individual, estate, or trust, these amounts are reported as additions to or subtractions from federal adjusted gross income to determine Montana adjusted gross income as reported on your Montana income tax return.

### **Resident individuals, estates, and trusts.**

Report everywhere additions on Form 2, Schedule I, or Form FID-3, Schedule I. Report everywhere subtractions on Form 2, Schedule I, or Form FID-3, Schedule I.

### **Nonresidents and part-year residents.**

Subtract Part III, Column B, line 2 from Part III, Column B, line 1 and report the result on Form 2, Schedule II – Tax on Montana Source Income, line 13, or Form FID-3, Schedule II, line 9.

If you are a C corporation, see the Montana Form CIT instructions.

### **Part IV – Distributive Share of Montana Source Income (Loss)**

**Line 4a and 4b – Guaranteed payments.** This line is for partnerships only. The guaranteed payments remain with the partner receiving the payments as reflected on the federal Schedule K-1.

The portion of the guaranteed payments that represents Montana source income is reported on the Montana column of this line.

**Column A – Everywhere – Lines 1-13.** This column reports the items of income shown on your federal Schedule K-1.

**Column B – Montana – Lines 1-13.** This column shows the Montana source items of income and deductions for nonresident individuals, estates or trusts, pass-through entities, and C corporations. If you are a nonresident individual, estate, or trust, report these amounts on your Form 2, Schedule II, or Form FID-3, Schedule II. If you are a pass-through entity, report these amounts on the Montana Source Income Schedule as instructed. Montana source income for residents is reported in Column A.

**Line 14 – Total distributive share.** This is your distributive share of both Everywhere and Montana source income (loss). If you are included in a PTET election, your share of PTET is calculated at a rate of 5.9 percent of the amount in Column B on this line. If you are included in a Resident PTET election, your share of PTET is calculated at a rate of 5.9 percent of the amount in Column A on this line.

### **Part V – Supplemental Information**

Supplemental information needed to prepare your Montana tax return is listed in this part.

#### **Pass-Through Entity Owner Tax Agreement (PT-AGR).**

Form PT-AGR is an agreement that a nonresident individual, nonresident estate, nonresident trust, foreign C corporation, domestic second-tier pass-through entity, or tax-exempt entity must complete if they do not participate in a composite return and do not want the pass-through entity to pay withholding taxes on their behalf. If you filed this form, you agreed to timely file a Montana tax return, pay all taxes, and be subject to the personal jurisdiction of Montana.

**Domestic 2nd-Tier PTE.** A domestic second-tier pass-through entity is a pass-through entity, with a Form PT-AGR on file, whose interest is entirely held, either directly or indirectly, by any combination of resident individuals, estates, trusts, domestic C corporations, or any other entities, organizations, or accounts whose principal place of business or administration is located in the state of Montana.

**Line 1 – PTET paid on behalf of owner.** This is your distributive share of PTET credit. If you are an individual, report this amount as a refundable credit on Form 2, line 11c. If you are an estate or trust, report this amount on Form FID-3, line 14a.

If you are a nonresident individual, estate, or trust, and the box in Part II “The owner is included in a PTET election” is marked, and you do not have any additional Montana source income, you are not required to file a Montana income tax return. If the box on Part II is not marked and Part V, line 1 shows some amount of pass-through entity tax, you are required to file a Montana income tax return.

If you are a pass-through entity, report this amount on your Form PTE, page 3, Flow-Through Payments Schedule, Part I.

**Line 2 – Montana composite income tax paid on behalf of owner.** This is the amount of Montana composite income tax paid on your behalf by the entity. If you made this election, you are not required to file your own Montana tax return. This is for your information only.

**Line 3a – Montana income tax withheld by the PTE in Part 1 on behalf of owner.** The entity named in Part I was required to withhold Montana income tax for nonresident individuals, trusts, or estates, or foreign C corporation owners who did not file a consent agreement (Form PT-AGR) and did not elect to participate in a composite return. The entity was required to withhold Montana income tax on second-tier pass-through entities. The amount withheld on your behalf is reported on this line.

**Line 3b – Montana income tax withheld by a lower-tier PTE.** Another entity was required to withhold Montana income tax on behalf of the entity named in Part I. Your share of the amount withheld is reported on this line.

**Line 3c – Total Montana income tax withheld on behalf of owner.** This is the sum of the amounts reported on lines 3a and 3b. Report this as a pass-through withholding credit on your Montana income tax return.

**Line 4 – Montana mineral royalty tax withheld.** If mineral rights are held by the entity in which you have an ownership interest, the royalty payments made to the owners may be subject to withholding if certain thresholds are met. If the entity allocated the withheld mineral royalty tax to you, the amount you can claim as a credit is listed. This withholding should not be confused with the amounts deducted from royalty payments for production taxes.

**Line 5 – Other information.** This line reports information that could result in adjustments to your Montana tax return. If all of the supplemental information could not be listed on this line, the entity should provide you with a statement showing the additional information. Additional information may include items that you can use to calculate a tax credit. An example of an item that can be used to calculate a tax credit is a contribution that qualifies for a qualified endowment credit. If a portion of the contribution is distributed to you, the amount will be reported on this line.

## **Part VI – Montana Tax Credits**

Any credit claimed by a PTE must be allocated to its owners, generally using the same proportion that is used to report each owner's share of that entity's income or loss for Montana income tax purposes. Tax credits cannot be taken as a credit against composite tax or pass-through entity tax. The form includes the code for each credit being claimed by the PTE, along with the corresponding credit authorization number and amount to be reported on the owner's income tax return.

## **Part VII – Montana Adjustments Detail**

If you are an individual, estate, trust, or C corporation, these amounts represent a breakdown of your Montana adjustments from Part III.

If you are a pass-through entity, the amounts reported in this part must be included on your Montana Adjustments Worksheet based on their respective code. Code 1 is for everywhere adjustments, and Code 2 is for Montana adjustments.

**Questions?** Call us at (406) 444-6900, or Montana Relay at 711 for the hearing impaired.