MONTANA DEPARTMENT OF REVENUE

Withholding/Payroll Service Provider Letter of Intent

Tax Year 2026

This form must be completed and submitted to DORe-Services@mt.gov by September 30, 2026.

For any general questions about this LOI, please contact Information Governance.

V1 July 2026

2026 Tax Software Provider Montana Department of Revenue Letter of Intent

Welcome to the Letter of Intent (LOI) for Withholding/Payroll. If your software company intends to submit withholding/payroll informational returns electronically, you will need to complete this form and submit it to Information Governance at DORe-Services@mt.gov.

By submitting this LOI to the Montana Department of Revenue, you agree to meet our standards for software provider registration, tax preparation software, and substitute forms. If you do not meet the standards and requirements explained in this LOI, or provide an incomplete form, we may deny your application or revoke your approved software provider status and reject all electronic and paper returns submitted using your products.

You must complete a separate LOI for each unique product your company offers.

Important Dates

The Montana Department of Revenue has important key dates to ensure we are ready for return submissions and taxpayers can file an accurate and timely tax return. Please note the following key dates:

- Initial test submissions are due by October 15, 2026.
- Final test submissions are due by November 30, 2026.
- The tax year 2026 filing deadline for all Montana withholding forms is January 31, 2027.

Quick Start Requirements (Read First)

To be approved as a Montana Income Tax Software Provider for Tax Year 2026, you must:

- Submit a completed LOI to DORe-Services@mt.gov by September 30, 2026
- Complete all e-File and paper testing no later than November 30, 2026.
  - Department feedback is typically provided within 5-7 business days of receipt of test submissions.
- Provide all Regulatory/Compliance Contacts (required for every vendor)
- Complete separate LOIs for each unique product your company offers
- Review and comply with all Montana Department of Revenue standards

Amended Letter of Intent

Clear Form

☐ Check this box if this is an amended Letter of Intent.

Reason for amendment:

Company Information

List your company information.

Name of Company	Product Name	State issued software ID **(Required)**
DBA Name	NACTP Vendor ID (if applicable)	State tax account number (if applicable)
Address	Product URL	Company FEIN
City	State	ZIP Code

IRS Issued Electronic Identification Numbers

List your IRS electronic identification numbers. The transmission header of the MeF FSET package has a required element transmitter with a required choice of EFIN or ETIN.

Test EFIN(s) or ETIN(s)	Production EFIN(s) or ETIN(s)

Contact Information

List the contact information for each area identified.

Regulatory/Compliance contact	Phone	Email
Primary withholding e-File contact	Phone	Email
Secondary withholding e-File contact	Phone	Email
Primary W-2/1099 e-File contact	Phone	Email
Secondary W-2/1099 e-File contact	Phone	Email

Substitute Forms Registration

Complete this section only if your product will provide substitute forms. All companies that reproduce State of Montana tax forms must complete the substitute form registration annually. Please review form testing and submission changes in the 2026 Substitute Forms and Payment Vouchers Specifications (available on the FTA State Exchange System). Develop substitute Montana tax forms in accordance with the specifications issued by the Montana Department of Revenue. Failure to follow the specifications may result in completed tax forms submitted by the public being rejected by the Montana Department of Revenue.

Montana provides testing templates to help you verify data placement prior to submitting forms for testing. Testing form submissions will be rejected if the form data placement was not verified using the testing templates. If you require assistance, please email DORe-Services@mt.gov.

All forms contacts are required as applicable. Complete all information fields.

	Description	Form Supplier
☐	Software provider creating their own substitute forms.	
☐	Software provider using another company's form in their software.	
☐	Software provider using Montana's official form in their software.	Montana Department of Revenue
Agency substitute forms software number (**Required)**		

Primary withholding forms contact	Phone	Email
Secondary withholding forms contact	Phone	Email
Primary W-2/1099 forms contact	Phone	Email
Secondary W-2/1099 forms contact	Phone	Email

Note: If you have additional contacts, please list them by form/tax type on a separate sheet and attach it to this submission. If you are using another company's form in your software, that company will need to complete testing before your test submissions will be accepted. If you do not have a Montana Software Provider ID from the previous tax year, leave that field blank. We will send a confirmation email to provide you with a Montana Software Provider ID.

Software Products and Tax Types Supported

Check all that apply.

Type of software product supported	
Web-Based	☐
Desktop	☐

Forms and schedules	e-File	Substitute Forms	Expected Volume of Submissions
Montana Annual W-2 1099 Withholding Tax Reconciliation Form MW-3	☐	☐	
W-2/W-2C	☐	☐	
1099	☐	☐	
MW-1 Support Required		☐	

Please indicate the filing frequencies supported		Expected Volume of Submissions
Annual	☐	
Monthly	☐	
Accelerated	☐	
Not Required *Not required to withhold, but required to file*	☐	

Is your software best described as a:	
Payroll Software Provider (SaaS)	☐
Full-Service Payroll Provider	☐
Professional Employer Organization (PEO)	☐
Reporting Agent (RAs)	☐
Accountants/CPAs	☐

Please indicate the customer base you support		
US Customers Only ☐	Foreign Customers Only ☐	Both ☐

Does your software support payments with the reconciliation return? (Financial Transaction Schema)	Yes ☐	No ☐
Does your software support address changes?	Yes ☐	No ☐
Does your software have any other limitations?	Yes ☐	No ☐
Please Explain		
Please provide an overview of the different service package levels your payroll software offers to clients.		

Filing Types and Methods

This section identifies the various ways returns can be filed with the Montana Department of Revenue.

Please select the method(s) your company will support. If your software uses the Web Service API to submit the Reconciliation Return and supports W-2/W-2C, it is expected that W-2/W-2C forms will also be submitted through the API.

Filing Form Types	Check Filing Methods Your Company Supports	For More Information
1099	☐ Web Service API - 100 forms or more ☐ File upload process ☐ Combined Fed/State program	MTDOR Electronic Filing FAQ Sheet IRIS XML
W-2/W-2C	☐ Web Service API – 100 forms or more ☐ File upload Process – less than 100 forms	SSA Specifications for Electronic Filing Forms W-2 & W-2c
Reconciliation Return	☐ Web Service API – 100 forms or more ☐ File upload process – less than 100 forms	MTDOR Electronic Filing FAQ Sheet
Vendor Payment Service Standalone Withholding Payments	☐ Web service API - 100 payments or more	MTDOR Electronic Filing FAQ Sheet

e-File Mandates or Requirements

- Montana law (15-1-802, MCA) requires payments of $50,000 or more to be made electronically.
- Montana law (15-31-110, MCA) requires corporations with more than $750,000 in gross receipts during a tax period to file electronically.
- Montana law (15-30-3315, MCA) requires partnerships with more than 100 partners to file electronically.

Electronic Corrected/Amended Returns

The Montana Department of Revenue requires software providers to support electronic corrected/amended returns.

Agency Requirements

The Montana Department of Revenue expects software developers supporting Montana returns to adhere to specific responsibilities.

Developers must:

- Accurately complete the 2026 Payroll Provider Letter of Intent
- Comply with all state requirements in the specification documents
- Successfully complete the department's approval process
- Ensure all returns are complete, accurate, and submitted in well formed XML
- Perform schema validation before submission
- Respond promptly to any requests for software corrections
- Provide timely updates to ensure accurate production returns
- Submit production returns only after approval and within the designated production window
- Notify the department of any delays or issues that may affect submission or processing

The department will not process corrupt or non compliant XML files and is not responsible for data loss or destruction related to submitted returns.

If your company files 100 forms or more, please use the Web Service API for reporting. If your company submits 100 payments or more, please use the Vendor Payment Service.

- The department requires all vendors to utilize the most current information posted on https://revenue.mt.gov/publications/montana-employer-and-information-agent-guide
- Software companies are expected to conduct their own internal testing before submitting tests to the department. Therefore, if more than 5 retests are submitted, they are subject to the limited availability of department resources.
- Montana law (15-1-802, MCA) requires payments of $50,000 or more to be made electronically.

Issue Notification and Resolution Requirements

This section represents the Montana Department of Revenue issue notification and issue resolution standards.

Notify the agency if any forms and/or payments you support are not ready when your software is available for use. Submit this information via email to DORe-Services@mt.gov and include the date the electronic or paper product will be ready to submit.

System Security Requirements

The Montana Department of Revenue name does not prescribe the security requirements for your system. You are responsible for implementing appropriate security measures to protect taxpayers and their information in your system. You must apply security measures to protect taxpayer information in your system when it is on-line, off-line, at rest, and in transit.

Questionable Informational Returns

The Montana Department of Revenue aligns with the IRS in their reporting fraud and abuse requirements within the IRS e-file program. You should report fraudulent or abusive returns, including those with questionable W-2s or other informational returns.

Security Incident Requirements

Data breaches, security incidents, or other improper disclosures of taxpayer data that by law require reporting to the Montana Attorney General must also be reported to the Montana Department of Revenue.

Providers executing this agreement are subject to Federal and State data breach security laws and/or regulations noted below, including but not limited to provisions regarding who must comply with the law, definitions of “personally identifiable information”, what constitutes a breach, requirements for notice, and any exemptions.

Internal Revenue Code 6103, 7213, 7213A, 7431

IRS Publication 1075

Section 15-30-2618, MCA

Section 15-31-511, MCA

Production Return Submission Requirements

All returns generated from this software must be e-Filed or printed using the approved software or a subsequent product update.

Product Update

Desktop product users who attempt to file 10 or more business days after a production release must be required to download and apply the product update.

Schema Or File Format Requirements

Your software must follow the schema or file format requirements prescribed by the agency.

Find Montana Department of Revenue schema requirements on the FTA State Exchange System.

Testing and Submission Requirements

All e-File and substitute-form tests submitted during the approval process must be created in, and originate from, the actual software.

Validation Of Data Elements

You must validate the following pre-populated data elements:

- Federal Employer Identification Number (FEIN)
- Montana state tax account number
- Employer names
- Employer addresses
- Employer contact information
- Tax period

Software Limitations

Provide any software limitations to forms or schedules you support before testing. Failure to provide this information will delay the review of your test returns.

Customer Notices

This section identifies information Montana Department of Revenue requires software providers to communicate with customers.

Disclosure and Use of Information Language Expectations

The following consent language must be added to electronic filing software to notify the user.

For Do-It-Yourself Software:

By using a computer system and software to prepare and/or file my tax return(s) electronically, I consent to the transmission of my return(s) and to the disclosure of all information about my use of the system and software to the Montana Department of Revenue.

For Tax Professional Software:

By using a computer system and software to prepare and/or file my client's return(s), I consent to the transmission of my client's return(s) and to the disclosure of all information about my use of the system and software to the Montana Department of Revenue.

For Business Software:

By using a computer system and software to prepare and/or file this business tax return(s), I consent to the transmission of the return(s) and to the disclosure of all information about the use of the system and software to the Montana Department of Revenue.

Taxes Due Expectations

The Montana Department of Revenue provides a URL and a statement about taxes due, such as due dates and payment methods. All Do It Yourself (DIY) and Tax Professional software packages must include this information in your software. The message must be displayed within the software in a way that maximizes the likelihood of being read. For those vendors supporting the Vendor Payment API, this requirement is optional.

URL:

To Make a Payment – https://tap.dor.mt.gov/

Statement:

To schedule additional payments, please visit our TransAction Portal at https://tap.dor.mt.gov/. First-time filers may need to contact the department to make payment arrangements. For more information, please see https://tap.dor.mt.gov/.

Different Wage Withholding Reports have different Wage Withholding Due Dates:

Report or Form Type	Due Date
Montana Annual W-2 1099 Withholding Tax Reconciliation (Form MW-3)	January 31
All Forms W-2 (with or without withholding)	January 31
Forms 1099 with Withholding	January 31
Wage Withholding Payments	See the Payment Schedule
Forms 1099 without Withholding	See Forms 1099 with No Withholding Due Dates by Type

Payment Schedule

Your withholding payment due date may change based on your payroll. How often you make withholding payments is called your withholding schedule.

Total Withholding Paid	Schedule	Payments Due
up to $1,199	Annual	January 31
$1,200—$11,999	Monthly	The 15th of the following month Example: January withholding is due February 15
$12,000 or more	Accelerated	The same as federal tax deposits: • For paydays Saturday–Tuesday, payments are due the following Friday. • For paydays Wednesday–Friday, payments are due the following Wednesday.

Agency Questions

What refund products or payment vehicles do you offer your customers?

If you partner with an entity to provide refunds (e.g., Amazon.com or other prepaid cards), please provide the names and bank routing numbers (RTNs) of each company. Attach a separate sheet if necessary.

Refund payments must be deposited with a bank. The department will not accept any payments using cryptocurrency or cyber currency (such as Bitcoin, Litecoin, Ethereum, etc.).

Please mark N/A if this does not apply to your software.

1. Bank Name ______________________________________

   Routing Number

2. Bank Name ______________________________________

   Routing Number

Acknowledgments and Signature

By signing this agreement, I agree to provide true, accurate, current, and complete information, and my company agrees to all the requirements listed in this document.

The Montana Department of Revenue reserves the right to deny, suspend, or terminate my company's ability to submit returns.

Authorized Representative Printed Name	Authorized Representative Email Address	
Authorized Representative Signature	Authorized Representative Phone Number	Date

Submit

Authorized Access to the State Exchange System

Access to the State Exchange System should be limited to those with a business need. You are allowed up to 8 users.

Provide information for each employee you are authorizing for access to the State Exchange System.

NOTE: Include all authorized individuals, even if listed previously on this form.

First and last name	Phone	Email address
First and last name	Phone	Email address
First and last name	Phone	Email address
First and last name	Phone	Email address
First and last name	Phone	Email address
First and last name	Phone	Email address
First and last name	Phone	Email address
First and last name	Phone	Email address