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Date: January 8, 2026

To: Payroll Provider E-File Software Vendors

Subject: Montana Payroll Support Requirements & Alternatives

The Montana Department of Revenue continues to receive notices that some payroll software does not support electronically filed amended returns—specifically, the FSETv5.6 “Amended” enumeration at the xPath “Transmission/ReturnState/ReturnHeaderState/FilingAction/Action”.

Supporting electronically amended returns has been a requirement for Payroll since Tax Year 2024 and is outlined on Page 4 of both the 2024 and 2025 Payroll Letters of Intent.

If your software does not support electronically amended returns, please provide the following:

- Your expected volume of returns for Tax Year 2025?
- How does your software currently handle amended returns?
- The number of amended returns filed by paper for:
 - Tax year 2024
 - Tax year 2023
 - Tax year 2022

We offer an alternative electronic method for amending returns through our TransAction Portal. For details, please email dore-services@mt.gov.

Important Reminders

We continue to see a high volume of errors in Lines 4 and 5 on the MW-3. This suggests that the output files are being manipulated directly rather than through corrections within the software. This is **NOT** acceptable.

Please ensure:

- The value entered in the <TotalIncomeTaxWithheld> element **MUST** equal the sum of **All** <TaxRemittedTaxWithheld> elements.
- The value entered in the <TaxWithheldYear> element **MUST** equal the sum of **ALL** <TaxRemittedTaxPaid> elements.
- Do **NOT** include future scheduled payments in your reconciliation.

Development, Testing, and LOI Updates

If you have not made an initial submission for the filing method and forms that were specified on your 2025 Letter of Intent. We may need to discuss extensions and/or amendments to your Letter of Intent.

- All development and testing must be completed by January 16, 2025.
- Production approval will be issued once all required test submissions have passed.
- If you need to make any changes to your LOI, please submit an amended LOI for review and approval.

For any questions, please contact dore-services@mt.gov.