



**2018**

**MeF**

**Montana S Corporation Information &  
Composite Tax ATS Packet**

**Draft Version**

**November 26, 2018**

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## Montana MeF ATS Testing Overview

This test packet includes four tests for the Montana CLT4S return. The following pages will include the test scenario as well as a list of the form line items we expect to be completed for each test.

The data submitted in those lines will be determined by the developer, except for where specifically noted. The form lines listed are the minimum amount of information we expect to see on the return. If you would like to test additional information please feel free to do so. There are a few instances where we are testing negative values. The lines containing negative values will be indicated with parentheses.

Once ATS test cases have been submitted to the IRS, please email the following information to DORMeF@mt.gov:

- Montana Form name (CLT4S)
- Name of vendor
- Name of software
- State submission ids and ATS test number for the id
- PDF for each submission id
  - Please include your ETIN and test return number in the file name.
  - Example: **12345Test2.pdf**

Please send one email per tax type. Doing so will help us identify who submitted the test cases and allow for tracking of the returns through the testing process.

Along with the information listed above please include a description of your software limitations that would change what we expect to see in each test return, if those limitations were not included in your LOI.

Once the department receives notification and the test cases, a tester will be scheduled to review the returns. It is our intention to review all test returns within five to seven business days of receipt. After the returns are reviewed, the department will send a test summary document identifying items that need to be corrected. When making corrections please resend all the returns in the test packet for review unless instructed otherwise.

**\*New – Montana implemented automated business rules this year.** You will need to pass the automated business rules before submitting your returns for testing. Please see the 2018 Montana PR1 CLT-4S Business Rule Reject Code document is SES for more information. If you have questions regarding return requirements or the business rules, please contact the Montana DOR e-Services unit at DORE-Services@mt.gov.

## Test 1: Form CLT-4S

Test S Corp 1 Inc is filing an initial calendar-year return on extension but after the extended due date. The company only operates in Montana. One hundred percent of the company's property, payroll, and sales are within Montana. The company's total Montana source income exceeds \$50,000,000. The company has both composite tax and pass-through withholding owing and has not made any payments.

### Required Forms

Montana:

- Form CLT-4S
- Schedule IV
- Schedules K-1s

Federal:

- Form 1120S
- Schedule K
- Form 4562

*Required Attachments:* Detailed statements for Form CLT-4S, Lines 10, 12e, 15c, and 16a.

*Taxpayer:* Test S-Corp 1 Inc.  
8585 Montana St  
Billings, MT 59101

*FEIN:* 10-1111111      *Date of incorporation:* 01/01/2016  
*State of incorporation:* Montana      *Federal Business Code/NAICS:* 236220  
*MT Secretary of State ID:* D456789      *Certificate of authority date:* N/A

*Total Shareholders Receiving a MT K-1:* 3 individuals, 3 estates, 3 trusts, 3 tax-exempt

*Nonresident shareholders:* 9

Shareholder Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Shareholder One	300-00-0001	8585 Montana ST Billings, MT 59101	N	I	15%	Composite
Shareholder Two	300-00-0002	525 Bowman Rd Seattle, WA 98101	N	I	10%	Withholding
Shareholder Three	300-00-0003	525 Bowman Rd Seattle, WA 98101	N	I	5%	2016
Shareholder Four	30-0000004	8585 Montana ST Billings, MT 59101	N	E	10%	Composite
Shareholder Five	30-0000005	525 Bowman Rd Seattle, WA 98101	N	E	5%	Withholding
Shareholder Six	30-0000006	525 Bowman Rd Seattle, WA 98101	N	E	5%	2016
Shareholder Seven	30-0000007	8585 Montana ST Billings, MT 59101	N	T	5%	Composite

Shareholder Eight	30-0000008	525 Bowman Rd Seattle, WA 98101	N	T	5%	Withholding
Shareholder Nine	30-0000009	525 Bowman Rd Seattle, WA 98101	N	T	5%	2016

Other shareholders: 3

Shareholder Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Shareholder Ten	30-0000010	8585 Montana ST Billings, MT 59101		TE	12%	Composite
Shareholder Eleven	30-0000011	525 Bowman Rd Seattle, WA 98101		TE	11%	Withholding
Shareholder Twelve	30-0000012	525 Bowman Rd Seattle, WA 98101		TE	12%	2016

No – do not discuss with the tax preparer, preparer’s name and phone

**Required Line Items**

	Test 1
Tax year beginning	X
Tax year ending	X
<b>Taxpayer Information</b>	
Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
<b>Shareholders</b>	
Schedules K-1 included	X
Nonresident shareholders	X
Other types of shareholders	X
<b>Return status</b>	
Initial return check box	X
<b>Entity information</b>	
State of incorporation	X
Date of incorporation	X
Federal business code/NAICS	X
MT Secretary of State ID#	X
<b>Shareholders' Pro Rata Share of Income Items</b>	
Line 1 - Ordinary business income (loss)	X

Line 4 - Interest Income	X
Line 5 - Ordinary dividends	X
Line 10 - Other income (loss) (include detailed statement)	X
Line 11 - total federal income or loss	X
<b>Shareholders' Distributive Share of Deduction Items</b>	
Line 12a - Section 179 deduction (include federal Form 4562)	X
Line 12b – Contributions	X
Line 12c- Investment interest expense	X
Line 12e – Other deductions	X
Line 13 - Total federal deductions	X
Line 14 - Federal income from all sources	X
<b>Shareholders' Distributive Share of Montana Additions and Deductions</b>	
Line 15a - Interest and dividends not taxable under the IRC	X
Line 15b - Taxes based on income or profits	X
Line 15c - Other additions	X
Line 15 - Total Montana additions	X
Line 16a - Interest on U.S. government obligations (include detailed statement)	X
Line 16 - Total Montana deductions to Income	X
Line 17 -Total distributive share of income	X
<b>Apportioned and Allocated Montana Source Income</b>	
Schedule I Not Required checkbox	X
Line 18 - Income apportioned to Montana	X
Line 20 - Total Montana source income	X
<b>Calculation of Amount Owed or Refund</b>	
Line 21 - Total composite tax from Schedule IV, Column H	X
Line 22 - Sum of Pass-through withholding from all Montana Schedules K-1, Part 5, Line 2a	X
<b>Withholding</b>	
<b>Return Payments</b>	
Line 27 - Total amount due	X
<b>Penalties and Interest</b>	
Line 28a - S corporation information return late filing penalty	X
Line 28b - Interest on underpayment of estimated composite tax	X
Line 28c - Composite income tax return late filing penalty	X
Line 28d - Late payment penalty	X
Line 28e – Interest	X
Line 28f – Total penalties and interest	X
<b>Amount Owed or Refund</b>	
Line 29 - Tax due or (overpaid) plus penalties and interest	X
Line 30 – Total amount owed	X
<b>Direct Deposit</b>	

<b>Officer's Information</b>		
Officer's name and title		X
Officer's daytime phone number		X
<b>Preparer Contact</b>		
Preparer's name		X
Phone number		X
Firm's name		X
Firm's address		X
No check box		X
<b>Schedule I - Apportionment Factors For Multistate S Corporations</b>		
<b>1. Property Factor</b>		
<b>2. Payroll Factor</b>		
<b>3. Sales Factor</b>		
<b>Schedule II - Montana S Corporation Tax Credits</b>		
<b>Schedule IV - Composite Income Tax Schedule</b>		
Part I Eligible participating shareholders		X
Part II Composite tax ratio		
Column 1. CLT_4S line 14		X
Column 2. CLT-4S line 20		X
Column 3. Divide column 2 by column 1		X
Part III Eligible participating shareholder information		
(Refer to shareholder info) Complete columns A thru G for all partners marked as included in composite tax.		X
<b>Schedule VI - Reporting of Special Transactions</b>		
<b>Montana Schedule K-1</b> <b>to be filed for all shareholders based on S Corp return information and data.</b>		
K-1s are required (see business rules for MT K-1s)		
For all Shareholders: Complete Part 1 with the filing entity's information		X
For all Shareholders: Use the shareholder data from the table(s) above to complete Parts 2 through 5		X
For all Shareholders: Complete Part 3	Total	Montana
Line A1 - Federal tax-exempt interest and dividends	X	X
Line A2 - Taxes based on income or profits	X	X
Line A3 – Other Additions	X	X
Line B1 – Interest on US government obligations	X	X
For all Shareholders: Complete Part 4		
Line 1 – Ordinary business Income (loss)		X
Line 5 – Interest income (loss)		X
Line 6 – Ordinary dividends		X

Line 11 – Other Income (loss)	X
Line 12 – Section 179 expense deduction apportionable and/or allocable to Montana	X
Line 13 – Other expense deductions apportionable and/or allocable to Montana	X
Complete Part 5	
For all Shareholders included in composite tax: Line 1 – Montana Composite tax paid on behalf of shareholder	X
For all Shareholders with withholding: Line 2a – Montana income tax withheld by entity in Part 1 on behalf of shareholder	X
For all Shareholders with withholding: Line 2c – Total Montana income tax withheld on behalf of shareholder	x



## Test 2: Form CLT-4S

Test S Corp 2 Inc is an oil and gas company operating in multiple states, including Montana. The company is filing a refund-return on extension. The company's income consists of:

- Montana-source income from its own operations
- Form 1099-MISC issued from a C Corporation, reporting mineral royalties and withholdings from multiple states including Montana (Mineral Royalty Withholding equals \$300)
- Montana Schedule K-1 reporting gain from ordinary business income and pass-through withholding from a partnership operating in multiple states (Pass-Through Withholding equals \$400)

The company has an overpayment credit from the prior year and has made an estimated payment and an extension payment. It is requesting a carry-forward to the following year and a partial refund of this year's overpayment. The company also has multiple credits flowing through to the company's shareholders.

### **Required Forms**

Montana:

- Form CLT-4S;
- Schedule I
- Schedule II
- Schedule IV
- Schedule K-1s
- Forms DCAC, CC, HI, RCYL, AEPC, AFRC, IUFC, MINE-CERT, MINE-CRED, BBSC, and ELC

Federal:

- Form 1120S
- Schedule D
- Schedule K
- Form 8825
- Form 4797
- Form 3468

### **Required Attachments:**

- Detailed statement for CLT-4S, Lines 3b, 12d, 16d, and 19.

*Taxpayer:* Test S-Corp 2 Inc.  
6708 East 109<sup>th</sup> Street  
Tulsa, OK 74133

<i>FEIN:</i>	10-2222222	<i>Date of incorporation:</i>	01/01/1997
<i>State of incorporation:</i>	Oklahoma	<i>Federal Business Code/NAICS:</i>	211111
<i>MT Secretary of State ID:</i>	D123456	<i>Certificate of authority date</i>	3/15/2010

Shareholders: 2 Individuals, 2 Estates, 2 Trusts, 1 Tax Exempt

Resident shareholders: 3

Shareholder Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Shareholder One	300-00-0001	8585 Montana ST Billings, MT 59101	R	I	10%	
Shareholder Two	30-0000002	8585 Montana ST Billings, MT 59101	R	E	10%	
Shareholder Three	30-0000003	6708 East 109 <sup>th</sup> ST Tulsa, OK 74133	R	T	13%	

Nonresident shareholders: 3

Shareholder Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Shareholder Four	300-00-0004	525 Bowman Rd Seattle, WA 98101	N	I	10%	2016
Shareholder Five	30-0000005	525 Bowman Rd Seattle, WA 98101	N	E	10%	Withholding
Shareholder Six	30-0000006	525 Bowman Rd Seattle, WA 98101	N	T	13%	Composite

Other shareholders: 1

Shareholder Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Shareholder Seven	30-0000009	525 Bowman Rd Seattle, WA 98101		TE	34%	2016

Overpayment: Refund Direct Deposit

RTN, Acct #

Savings Account

IAT indicator = NO

Yes – discuss with the tax preparer; preparer’s name and phone

Schedule I, Lines 1j-1l, Lines 2e-2g, and Lines 3g-3j are added for data capture and calculation purposes only. They do not accurately represent this specific scenario.

**Required Line Items**

	Test 2
Tax year beginning	X
Tax year ending	X
<b>Taxpayer Information</b>	

Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
<b>Shareholders</b>	
Schedules K-1 included	X
Resident shareholders	X
Nonresident shareholders	X
Other types of shareholders	X
<b>Return status</b>	
Refund return check box	X
<b>Entity information</b>	
State of incorporation	X
Date of incorporation	X
Federal business code/NAICS	X
MT Secretary of State ID#	X
Foreign S corporations - certificate of authority date	X
<b>Shareholders' Pro Rata Share of Income Items</b>	
Line 1 - Ordinary business income (loss)	X
Line 2 - Net rental real estate income (loss)	X
Line 3a - Other gross rental income (loss)	X
Line 3b - Expenses from other rental activities	X
Line 3c - other net rental income or loss	X
Line 6 - Royalties	X
Line 7 - Net short-term capital gain (loss)	X
Line 8 - Net long-term capital gain (loss)	X
Line 9 - Net section 1231 gain (loss)	X
Line 11 - total federal income or loss	X
<b>Shareholders' Distributive Share of Deduction Items</b>	
Line 12d - Section 59(e)(2) expenditures (include detailed statement)	X
Line 13 – Total federal deductions	X
Line 14 - Federal income from all sources	X
<b>Shareholders' Distributive Share of Montana Additions and Deductions</b>	
Line 15b - Taxes based on income or profits	X
Line 15 - Total Montana additions	X
Line 16b - Deduction for purchasing recycled material	X
Line 16d – Nonapportionable income (include detailed statement)	X
Line 16 - Total Montana deductions to income.	X

Line 17 - Total distributive share of income	X
<b>Apportioned and Allocated Montana Source Income</b>	
Line 18 - Income apportioned to Montana	X
Line 19 - Income allocated to Montana	X
Line 20 - Total Montana source income	X
<b>Calculation of Amount Owed or Refund</b>	
Line 21 – Total Composite Tax from Schedule III, column E	X
Line 22 - Sum of Pass-through withholding from all Montana Schedules K-1, Part 5, Line 2a	X
<b>Withholding</b>	
Line 23a - Total Montana mineral royalty tax withheld on your behalf	X
Line 23b – Mineral royalty tax withholding distributed to shareholders	X
Line 23c – Mineral royalty tax withholding attributable to S corporation	X
Line 24a - Total Montana pass-through withholding paid on your behalf	X
Line 24b - Pass -through withholding distributed to shareholders	X
Line 24c - Pass-through withholding attributable to S corporation	X
Line 25 - Total withholding payments attributable to S corporation	X
<b>Return Payments</b>	
Line 26a - Prior year overpayment applied to current year	X
Line 26b - Current year estimated payments	X
Line 26c – Current year extension payment	X
Line 26f - Total return payments	X
Line 27 - Total amount due (overpaid)	(X)
<b>Penalties and Interest</b>	
<b>Amount Owed or Refund</b>	
Line 29 - Tax due or (overpaid) plus penalties and interest	(X)
Line 31 - Overpayment - Enter as positive number	X
Line 32 – Amount from Line 31 applied to your 2018 Composite estimated tax	X
Line 33 - Total Refund	X
<b>Direct Deposit</b>	
Line 1 - Routing number	X
Line 2 - Account number	X
Line 3 - Checking check box Savings check box	X
Line 4 - Refund outside US? (IAT) No check box	X
<b>Officer's Information</b>	
Officer's name and title	X
Officer's daytime phone number	X

<b>Preparer Contact</b>		
Preparer's name	X	
Phone number	X	
Yes check box	X	
<b>Schedule I - Apportionment Factors For Multistate S Corporations</b>		
<b>1. Property Factor</b>		
Line 1a – Land	X	X
Line 1b – Buildings	X	X
Line 1c – Machinery	X	X
Line 1d – Equipment	X	X
Line 1e - Furniture and Fixtures	X	X
Line 1f - Leases and Leased Property	X	X
Line 1g – Inventories	X	X
Line 1h - Depletable assets	X	X
Line 1i - Supplies and Other	X	X
Line 1j. Property of foreign subsidiaries included in combined unitary group	X	X
Line 1k. Property of unconsolidated subsidiaries included in combined unitary group	X	X
Line 1l. Property of pass-through entities included in combined unitary group	X	X
Line 1m - Multiply amount of rents by 8	X	X
Total property value	X	X
Property factor	X	
<b>2. Payroll Factor</b>		
Line 2a - Compensation of officers	X	X
Line 2b - Salaries and wages	X	X
Line 2c - Cost of goods sold	X	X
Line 2d – Other Expenses and Deductions	X	X
Line 2e. Payroll of foreign subsidiaries included in combined unitary group	X	X
Line 2f. Payroll of unconsolidated subsidiaries included in combined unitary group	X	X
Line 2g. Payroll of pass-through entities included in combined unitary group	X	X
Total payroll value	X	X
Payroll Factor	X	
<b>3. Sales Factor</b>		
Line 3a - Gross Sales, less returns and allowances	X	
Line 3b - Sales delivered or shipped to Montana purchasers		
(1) Shipped from Outside Montana	X	
(2) Shipped from Within Montana	X	
Line 3c - Sales shipped from Montana to		

(1) United States government		X
(2) Purchasers in a state where the taxpayer is not taxable		X
Line 3d - Sales other than sales of tangible personal property		X
Line 3e - Net gains reported schedule D and form 4797	X	X
Line 3f - Other gross receipts	X	X
Line 3g. Sales (receipts) of foreign subsidiaries included in combined unitary group.	X	X
Line 3h. Sales (receipts) of unconsolidated subsidiaries included in combined unitary group	X	X
Line 3i. Sales (receipts) of pass-through entities included in combined unitary group	X	X
Line 3j – Less: All intercompany transactions	X	X
Total sales value	X	X
Sales factor		X
Line 4 - Sum of factors		X
Line 5 - Apportionment Factor		X
<b>Schedule II - Montana S Corporation Tax Credits</b>		
Line 1 - Dependent Care Assistance Credit		X
Line 2 - College Contribution Credit		X
Line 3 - Health Insurance for Uninsured Montanans Credit		X
Line 4 - Recycle Credit		X
Line 5 - Alternative Energy Production Credit		X
Line 6 - Contractor's Gross Receipts Tax Credit (Checkbox)		X
Line 6 - Contractor's Gross Receipts Tax Credit (Account ID)		X
Line 6 - Contractor's Gross Receipts Tax Credit		X
Line 7 - Alternative Fuel Credit		X
Line 8 - Infrastructure User Fee Credit		X
Line 9 - Historic Property Preservation Credit		X
Line 10 - Mineral and Coal Exploration Incentive Credit		X
Line 11 - Empowerment Zone Credit		X
Line 12 - Biodiesel Blending and Storage Credit		X
Line 13 - Innovative Educational Program Credit		X
Line 14 - Student Scholarship Organization Credit		X
Line 15 - Emergency Lodging Credit		X
Line 16 - Unlocking Public Lands Credit		X
Line 17 – Apprenticeship Tax Credit		X
<b>Type of credit recapture</b>		
Line 18 - Historic Property Preservation Credit Recapture		X
Line 19 - Film Production Credit Recapture		X
Line 20 - Biodiesel Blending and Storage Credit Recapture		X
Line 21 - Oilseed Crushing and Biodiesel/Biolubricant Production Credit Recapture		X
<b>Schedule IV - Composite Income Tax Schedule</b>		
Part 1 Eligible participating shareholders		X
Part II Composite tax ratio		

Column 1. CLT_4S line 14	X						
Column 2. CLT-4S line 20	X						
Column 3. Divide column 2 by column 1	X						
Part III Eligible participating shareholder information (Refer to shareholder info) Complete columns A thru G for all partners marked as included in composite tax.	X						
<b>Schedule VI - Reporting of Special Transactions</b>							
<b>Montana Schedule K-1 to be filed for all shareholders based on S Corp return information and data.</b>							
K-1s are required							
<b>For all Shareholders: Complete Part 1 with the filing entity's information</b>	X						
<b>For all Shareholders: Use the data from the shareholder table(s) above to complete Parts 2 through 6</b>	X						
<b>For all Partners: Complete Part 3</b>	Total	Montana					
Line A2 – Taxes based on income or profits	X	X					
Line B2 – Deduction for purchasing recycled material	X	X					
<b>For all Shareholders: Complete Part 4</b>							
Line 1 – Ordinary Income (loss)	X						
Line 2 – Net rental real estate income (loss)	X						
Line 3 – Other net rental income (loss)	X						
Line 7 – Royalties	X						
Line 8 - Net short-term capital gain (loss)	X						
Line 9 - Net long-term capital gain (loss)	X						
Line 10 - Net section 1231 gain (loss)	X						
Line 13 – Other expense deductions apportionable/allocable to Montana	X						
<b>Complete Part 5</b>							
<b>Field</b>	<b>Shareholder</b>						
	S.H. 1	S.H. 2	S.H. 3	S.H. 4	S.H. 5	S.H. 6	S.H. 7
Line 1						X	
Line 2a					X		
Line 2b	X	X	X	X			X
Line 2c	X	X	X	X	X		X
Line 3	X	X	X	X			X
Line 4							
Line 5							
<b>Complete Part 6</b>							
For all Shareholders: 1. Contractor's gross receipts tax credits							X
For all Shareholders: CGR Account ID							X
For all Shareholders: Other credit/recapture information							X

### Test 3: Form CLT-4S

Test S Corp 3 Inc has no direct operations in the state of Montana (See business rules for CLT-4S, Line 18). The company is filing an amended return with a fiscal year beginning 08/01/20XX and ending 07/31/20XX. The company receives its income on Schedules K-1 from three partnerships, two of which are operating in Montana (See business rules for CLT-4S, Lines 16d and 19). The company's total income has netted to a loss.

#### Required Forms

Montana:

- Form CLT-4S
- Schedule IV
- Schedule VI
- Schedules K-1

Federal:

- Form 1120S
- Schedule D
- Schedule K
- Form 8825
- Form 4797

#### Required Attachments:

- Detailed statement for Form CLT-4S, Lines 10, 16d, and 19.

*Taxpayer:* Test S-Corp 3 Inc.  
220 Townsend Square  
Oyster Bay, NY 11771

*FEIN:* 10-3333333      *Date of incorporation:* 01/03/1981  
*State of incorporation:* New York      *Federal Business Code/NAICS:* 523910  
*MT Secretary of State ID:* D125986      *Certificate of authority date:* 5/14/2011

*Shareholders:* 1 individuals, 1 estate, 1 trust  
*Nonresident shareholders:* 3

Shareholder Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Shareholder One	300-00-0001	525 Bowman Rd Seattle, WA 98101	N	I	33%	Composite
Shareholder Two	30-0000002	525 Bowman Rd Seattle, WA 98101	N	E	33%	Composite
Shareholder Three	30-0000003	525 Bowman Rd Seattle, WA 98101	N	T	34%	Composite

No –not discuss with the tax preparer

\*Composite tax calculations should result in \$0 tax amount if calculated correctly



**Required Line Items**

	<b>Test 3</b>
Tax year beginning	X
Tax year ending	X
<b>Taxpayer Information</b>	
Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
<b>Shareholders</b>	
Schedules K-1 included	X
Nonresident shareholders	X
<b>Return status</b>	
Amended return check box	X
<b>Entity information</b>	
State of incorporation	X
Date of incorporation	X
Federal business code/NAICS	X
MT Secretary of State ID#	X
Foreign S corporations - certificate of authority date	X
<b>Shareholders' Pro Rata Share of Income Items</b>	
Line 1 - Ordinary business income (loss)	X-(LOSS)
Line 2 - Net Rental real estate income (loss)	X-(LOSS)
Line 3a. - Other gross rental income (loss)	X-(LOSS)
Line 3c - Other net rental income (loss)	X-(LOSS)
Line 7 - Net short term capital gain (loss)	X-(LOSS)
Line 8 - Net long-term capital gain (loss)	X-(LOSS)
Line 9 - Net section 1231 gain (loss)	X-(LOSS)
Line 10 - Other income (loss)	X-(LOSS)
Line 11 - total federal income or loss	X-(LOSS)
<b>Shareholders' Distributive Share of Deduction Items</b>	
Line 14 - Federal income from all sources	X-(LOSS)
<b>Shareholders' Distributive Share of Montana Additions and Deductions</b>	
Line 16d – Nonapportionable income (include detailed statement)	(X)
Line 16 - Total Montana deductions to income.	(X)
Line 17 -Total distributive share of income	X-(LOSS)
<b>Apportioned and Allocated Montana Source Income</b>	
Schedule I Not Required checkbox	X

Line 19 - Income allocated to Montana	X-(LOSS)
Line 20 - Total Montana source income	X-(LOSS)
<b>Calculation of Amount Owed or Refund</b>	
Line 21 - Total composite tax from Schedule IV, Column H	X*
<b>Withholding</b>	
<b>Return Payments</b>	
Line 26d - For amended returns only- payments made	X
Line 26e - For amended returns only - previously issued refunds	X
Line 26f - Total return payments	X
Line 27 - Total amount due	X
<b>Penalties and Interest</b>	
<b>Amount Owed or Refund</b>	
Line 29 – Tax due or (overpaid) plus penalties and interest	X
Line 30 – Total amount owed	X
<b>Direct Deposit</b>	
<b>Officer's Information</b>	
Officer's name and title	X
Officer's daytime phone number	X
<b>Preparer Contact</b>	
Preparer's name	X
Phone number	X
No check box	X
<b>Schedule I - Apportionment Factors For Multistate S Corporations</b>	
<b>Schedule II - Montana S Corporation Tax Credits</b>	
<b>Schedule IV - Composite Income Tax Schedule</b>	
Part 1 Eligible participating shareholders	X
Part II Composite tax ratio	
Column 1. CLT-4S line 14	X
Column 2. CLT-4S line 20	X
Column 3. Divide column 2 by column 1	X
Part III Eligible participating partner information	
(Refer to Partner Info) Complete columns A thru G for all partners marked as included in composite tax.	X
<b>Schedule VI - Reporting of Special Transactions</b>	
Line 1 - Form 8918 – Material Advisor Disclosure Statement	X
Line 2 - Form 8824 – Like-Kind Exchanges	X
Line 3 - Form 8865 – Return of U.S. Persons With Respect to Certain Foreign Partnerships	X
Line 4 - Form 8886 – Reportable Transaction Disclosure Statement	X

Line 5 - Form 8023 – Elections Under Section 338 for Corporations Making Qualified Stock Purchases	X
Line 6 - S Corporation payments to related parties that exceed \$100,000	X
Name	X
FEIN	X
Amount of Payment	X
<b>Montana Schedule K-1 to be filed for all shareholders based on S Corp return information and data.</b>	
K-1s are required	

#### Test 4: Form CLT-4S

Test S Corp 4 Inc is filing a final, partial year return beginning 01/01/20XX and ending 04/30/20XX. The company is a multi-state business with payroll in Montana and is operating with a loss. The company also receives a Montana Schedule K-1 from a partnership that only operates in Montana. The Schedule K-1 reports ordinary business income as a gain and pass-through withholding. The gain from the Schedule K-1 does not exceed the amount of the company's everywhere operating losses but does exceed the company's Montana apportioned losses. The total Montana sourced income does not exceed \$4,000. The company has also made estimated tax payments and is requesting a refund.

#### Forms (required):

Montana:

- Form CLT-4S
- Schedules I
- Schedules K-1

Federal

- Form 1120S
- Schedule K

#### Required Attachments:

- Detailed statement for Form CLT-4S, Line 16d, and Line 19.

*Taxpayer:* Test S-Corp 4 Inc.  
2129 Boxer Ave  
Dallas, TX 75206

*FEIN:* 10-4444444      *Date of incorporation:* 01/01/1991  
*State of incorporation:* Texas      *Federal Business Code/NAICS:* 561310  
*MT Secretary of State ID:* D456789      *Certificate of authority date:* 6/1/2011

*Shareholders:* 1 individual, 1 Estate, 1 Trust

*Non-Resident shareholders:* 3

Shareholder Name	SSN/FEIN	Address (does not determine residency)	Residency Code	Entity Type	Distributive Share %	Composite/Withholding/PT-AGR Year
Shareholder One	300-00-0001	8585 Montana ST Billings, MT 59101	N	I	60%	Withholding
Shareholder Two	30-0000002	8585 Montana ST Billings, MT 59101	N	E	25%	Withholding
Shareholder Three	30-0000003	8585 Montana ST Billings, MT 59101	N	T	15%	Withholding

Overpayment: Refund Direct Deposit  
RTN, Acct #: Checking Account

IAT indicator = YES (default to NO if software does not support)

Yes – discuss with the tax preparer; preparer’s name and phone

Note: If the shareholder’s distributive share of Montana source income is \$1,000 or less, pass-through withholding for that shareholder should calculate to \$0.

**Required Line Items**

	<b>Test 4</b>
Tax year beginning	X
Tax year ending	X
<b>Taxpayer Information</b>	
Name	X
Mailing address	X
City	X
State abbreviation	X
Zip	X
FEIN	X
<b>Shareholders</b>	
Schedules K-1 included	X
Resident shareholders	X
Nonresident shareholders	X
Other types of shareholders	X
<b>Return status</b>	
Final return check box	X
Refund return check box	X
<b>Entity information</b>	
State of incorporation	X
Date of incorporation	X
Federal business code/NAICS	X
MT Secretary of State ID#	X
Foreign S corporations - certificate of authority date	X
<b>Shareholders' Pro Rata Share of Income Items</b>	
Line 1 - Ordinary business income (loss)	X-(LOSS)
Line 11 - total federal income or loss	X-(LOSS)
<b>Shareholders' Distributive Share of Deduction Items</b>	
Line 14 - Federal income from all sources	X-(LOSS)
<b>Shareholders' Distributive Share of Montana Additions and Deductions</b>	
Line 16d - Nonapportionable income (include detailed statement)	X
Line 16 - Total Montana deductions to Income	X
Line 17 -Total distributive share of income	X-(LOSS)
<b>Apportioned and Allocated Montana Source Income</b>	
Line 18 - Income apportioned to Montana	X-(LOSS)
Line 19 - Income allocated to Montana	X

Line 20 - Total Montana source income	X	
<b>Calculation of Amount Owed or Refund</b>		
Line 22 - Sum of Pass-through withholding from all Montana Schedules K-1, Part 5, Line 2a	X	
<b>Withholding</b>		
Line 24a - Total Montana pass-through withholding	X	
Line 24b - Pass-through withholding distributed to shareholders	X	
Line 24c - Pass-through withholding attributable to S corporation	X	
Line 25 - Total withholding payments attributable to S corporation	X	
<b>Return Payments</b>		
Line 26b - Estimated payments	X	
Line 26f - Total return payments	X	
Line 27 - Total amount due		
(overpaid)	(X)	
<b>Penalties and Interest</b>		
<b>Amount Owed or Refund</b>		
Line 29 - Tax due or (overpaid) plus penalties and interest	(X)	
Line 31 - Overpayment - Enter as positive number	X	
Line 33 - Total Refund	X	
<b>Direct Deposit</b>		
Line 1 - Routing number	X	
Line 2 - Account number	X	
Line 3 - Checking check box	X	
Line 4 - Refund outside US? (IAT)		
Yes check box	X	
<b>Officer's Information</b>		
Officer's name and title	X	
Officer's daytime phone number	X	
<b>Preparer Contact</b>		
Preparer's name	X	
Phone number	X	
Firm's name	X	
Firm's address	X	
Yes check box	X	
<b>Schedule I - Apportionment Factors For Multistate S Corporations</b>		
<b>1. Property Factor</b>		
Line 1a - Land	X	
Line 1b - Buildings	X	
Total property value	X	
Property factor	X	
<b>2. Payroll Factor</b>		
Line 2a - Compensation of officers	X	
Line 2b - Salaries and wages	X	X

Line 2c - Costs of goods sold	X	
Total payroll value	X	X
Payroll factor	X	
<b>3. Sales Factor</b>		
Line 3a - Gross sales, less returns and allowances	X	
Total sales value	X	
Sales factor	X	
Line 4 - Sum of factors	X	
Line 5 - Apportionment Factor	X	
<b>Schedule II - Montana S Corporation Tax Credits</b>		
<b>Schedule IV - Composite Income Tax Schedule</b>		
<b>Schedule VI - Reporting of Special Transactions</b>		
<b>Montana Schedule K-1 to be filed for all shareholders based on S Corp return information and data.</b>		
K-1s are required		