



2019 Underpayment of Estimated Tax
by Individuals, Estates and Trusts
15-30-2512, MCA

Form fields for personal information: First Name and Initial, Last Name, Social Security Number, Spouse's First Name and Initial, Last Name, Spouse's Social Security Number, Name of Estate or Trust, FEIN.

Part I. Required Annual Payment. All filers must complete this part. (If you are "married filing separately on the same form," combine columns A and B for each of the following lines.)

Calculation steps for Part I: 1. Enter your 2019 combined tax liability reported on Form 2, line 17; 2. Multiply line 1 by 90% (0.90); 3a. Enter your 2019 withholding amount; 3b. Enter your 2019 refundable credits; 3c. Enter the amount credited from your 2018 overpayment; 3. Add lines 3a through 3c; 4. Subtract line 3 from line 1; 5. Enter the 2018 combined total tax liability; 6. Required Annual Payment.

Part II. Short Method. Use this method if you did not make estimated tax payments or if you made estimated tax payments on the due dates and in four equal amounts. Otherwise, use the regular method (Part III).

Calculation steps for Part II: 7. Enter the amount, if any, from line 3 above; 8. Enter the total amount, if any, of estimated tax payments made; 9. Add lines 7 and 8; 10. Subtract line 9 from line 6; 11. Multiply line 10 by 0.0333; 12. If the amount on line 10 was paid on or after April 15, 2020, enter zero; 13. Subtract line 12 from line 11.

Form EST-I, Page 3 SSN -

FEIN -

Part IV. Annualized Income Installment Method Worksheet. Complete lines 29 through 53 only if computing installments using annualized income installment method.

Complete each column beginning with Column A through line 53 before completing the next column.

	A	B	C	D
	1/1/19 to 3/31/19	1/1/19 to 5/31/19	1/1/19 to 8/31/19	1/1/19 to 12/31/19
29. Montana adjusted gross income for the period. (Estates and trusts: Enter your taxable income without your exemption for each period.)..... 29.				
30. Annualization amounts..... 30.	4	2.4	1.5	1
31. Annualized income. Multiply line 29 by line 30..... 31.				
32. *Enter your itemized deductions for the period shown. (Estates and trusts: enter 0 (zero); skip to line 37, and enter the amount from line 31 on line 37.)..... 32.				
33. Annualization amounts..... 33.	4	2.4	1.5	1
34. Multiply line 32 by line 33..... 34.				
35. **Enter the full amount of your standard deduction..... 35.				
36. Enter the larger of line 34 or line 35..... 36.				
37. Subtract line 36 from line 31..... 37.				
38. Multiply \$2,510 by number of exemptions. (Estates and trusts: Enter \$2,510.)..... 38.				
39. Subtract line 38 from line 37..... 39.				
40. Figure the tax on the amount on line 39 using the tax table on page 2. If a nonresident, multiply the tax by the ratio of Montana source income received during the quarter over line 29..... 40.				
41. If you have net capital gains included in your Montana adjusted gross income on line 29, multiply the net Montana source capital gains amount by 2% (0.02) and enter the result of your capital gains credit here..... 41.				
42. Subtract line 41 from line 40 and enter the result here..... 42.				
43. Enter nonrefundable tax credits for each period..... 43.				
44. Subtract line 43 from line 42..... 44.				
45. Applicable percentage..... 45.	22.5%	45%	67.5%	90%
46. Multiply line 44 by line 45..... 46.				
47. Add the amounts in all preceding columns of line 53..... 47.				
48. Subtract line 47 from line 46. If less than zero, enter zero..... 48.				
49. Divide Part I, line 6, by four and enter the result in each column..... 49.				
50. Enter the amount from line 52 of the preceding column of this worksheet..... 50.				
51. Add lines 49 and 50..... 51.				
52. If line 51 is more than line 48, subtract line 48 from line 51; otherwise, enter 0 (zero)..... 52.				
53. Enter the smaller of line 48 or line 51 here and on line 14 of Part III..... 53.				

* If you do not itemize deductions, enter zero.
 ** The standard deduction is 20% (0.20) of line 31, subject to the following limitations:
 • Single or separate - no less than \$2,090, no more than \$4,710
 • Married or head of household - no less than \$4,180, no more than \$9,420

Form EST-I Instructions

Purpose of Form

Use this form to determine if you owe interest on the underpayment of estimated tax and, if you do, to figure the amount of the interest.

Who Must File Form EST-I?

You are not required to file Form EST-I, but you can use it to figure your interest on your underpayment if you wish to do so.

Who Must Pay the Interest on the Underpayment of Estimated Tax?

In general, you may owe interest on the underpayment of estimated tax for 2019 if you did not make the required quarterly payments totaling at least 90% of your 2019 income tax liability (after applying any withholding and/or credits) or 100% of your 2018 income tax liability (after applying any withholding and/or credits).

Interest is figured separately for each required payment.

The interest is figured separately for each installment due date. Therefore, you may owe interest for an earlier due date even if you paid enough tax later to make up the underpayment. This is true even if you are due a refund when you file your tax return. However, you may be able to reduce or eliminate the interest by using the annualized income installment method. For details, see Form EST-I, Part IV, Annualized Income Installment Method Worksheet.

Return. In these instructions, “return” refers to your original return.

Exceptions to Interest on the Underpayment of Estimated Tax

You were not required to make estimated tax payments and, therefore, will not have to pay interest if any of the following conditions apply to you:

- Your 2018 tax period covered 12 months and your Montana tax liability was zero;
- Your 2019 income tax due after credits and withholding is less than \$500. To determine whether your tax due is less than \$500, complete Part I, lines 1 through 4;
- You are a nonresident or part-year resident and were not required to file a 2018 Montana income tax return;
- You retired and were at least 62 years of age (This exception applies only in the year you retire and for one additional year following the year of retirement.);
- You became disabled in 2018 or 2019; or
- At least two-thirds of your gross income is derived from farming or ranching operations.

Table of Contents

Part I. Required Annual Payment	5
Complete this part to calculate your required annual payment. You must complete this part.	
Part II. Short Method	5
Complete this part to calculate your interest on the underpayment of estimated taxes. This part only applies in specific situations which are outlined in this section of the instructions.	
Part III. Regular Method	5
Complete this part to calculate your interest on the underpayment of estimated taxes. You must use this part if you are not eligible to use the short method.	
Part IV. Annualized Income Installment Method	7
You can use this part if your income varied during the year and you must complete it before Part III if you are annualizing.	

Part I. Required Annual Payment

Complete lines 1 through 6 to figure your required annual payment.

For this part, if you are married filing separately on the same form, you will need to add the amounts from both columns of Form 2 together.

If you filed an amended return, use the amounts shown on your original return to figure your underpayment.

Part II. Short Method

You may use the short method if either of the following situations apply to you:

- You did not make estimated tax payments; or
- You made all of your estimated tax payments on or before the due dates and in four equal amounts.

If you can use the short method, complete lines 7 through 10 to figure your total underpayment for the year, and lines 11 through 13 to figure the interest.

Part III. Regular Method

Use the regular method if you are not eligible to use the short method. You must use the regular method if you made payments of unequal amounts and/or you made the payments after the due dates.

Important If you are using the annualized method, you will need to complete Part IV before beginning Part III.

Figure Your Quarterly Underpayment/Overpayment (Lines 14-24)

Line 14. Enter on line 14, columns A through D, the amount of your required installment for the due date shown in each column heading. For most taxpayers, this is one-fourth of the required annual payment shown in Part I, line 6. If you are using the annualized method, complete part IV first, and report the result of line 53 on each column.

Line 17. List your estimated tax payments for 2019. Before completing line 17, enter in Table 1 the payments you made for 2019. Include the following payments:

- Any overpayment from your 2018 return applied to your 2019 estimated tax payments. Treat the payment as made on April 15, 2019.
- Estimated tax payments you made for the 2019 tax year.

Table 1. Estimated Tax Payments

Date	Payments	Date	Payments

Entries on Form EST-I. Enter on line 17 the following tax payments.

- Column A – total payments you made by April 15, 2019, including any 2018 overpayment that was applied to 2019.
- Column B – total payments you made after April 15, 2019, through June 15, 2019.
- Column C – total payments you made after June 15, 2019, through September 15, 2019.
- Column D – total payments you made after September 15, 2019, through January 15, 2020.

When figuring your payment dates and the amounts to enter on line 17 of each column, apply the following rules.

- Include all estimated tax payments you made for each period. Include any overpayment from your 2018 tax return you elected to apply to your 2019 estimated tax. If your 2018 return was fully paid by the due date, treat the overpayment as a payment made on April 15, 2019.
- If an overpayment is generated on your 2018 return from a payment made after the due date, treat the payment as made on the date of payment. For example, you paid \$500 in tax due on your 2018 return on July 2, 2019, and later amended the return and were due a \$400 refund which you elected to have applied as an estimated payment to your 2019 taxes. The \$400 overpayment would be treated as paid on July 2, 2019.

Example 1.

You filed your 2018 tax return on June 1, 2019, showing a \$2,000 refund. You elected to have \$1,000 of your 2018 overpayment applied to your 2019 estimated tax payments. In 2019, you had \$4,000 of Montana income tax withheld from wages. You also made \$500 estimated tax payments on September 15, 2019, and January 15, 2020. On line 15, in each column, enter \$1,000 (one-fourth of total 2019 withholding). On line 17, column A, enter \$1,000 (2018 overpayment applied to 2019). In column B, enter \$0 (no estimated tax payment was made for this period), and in columns C and D, enter \$500 (estimated tax payment).

Part III. Regular Method. Use this method if you made payments of unequal amounts. The due dates shown are for calendar year taxpayers. Adjust these dates accordingly for fiscal year returns.

Complete lines 14 through 17 in each column before going to line 18.

- 14. Required quarterly payment. Divide line 6 from page 1 by four and enter the result in each column 14.
- 15. Add lines 3a and 3b from page 1 and enter one-fourth of the amount in each column 15.
- 16. Subtract line 15 from line 14..... 16.
- 17. Enter the amount of estimated tax paid by each date. (Include the amount from line 3c on page 1 in column A.) 17.

A	B	C	D
4/15/19	6/15/19	9/15/19	1/15/20
1,000	1,000	1,000	1,000
1,000	0	500	500

Line 23. Current quarter underpayment

If line 23 is zero for all payment periods, you do not owe interest on your underpayment.

Figure the Interest (Lines 25-28)

Complete lines 25 through 28 of Part III to figure your interest for each period by applying the appropriate rate against each underpayment shown on line 23 of Part III. Interest is figured for the number of days that each underpayment remains unpaid. Use line 26 to show the number of days an underpayment remained unpaid. Use line 27 to figure the actual interest amount by applying the appropriate rate to an underpayment for the number of days it remained unpaid.

Your payments are applied first to any underpayment balance on an earlier required installment. It does not matter if you designate a payment for a later period. See Example 2.

Example 2.

You had a \$500 underpayment remaining after your April 15 payment. The June 15 installment required a payment of \$1,200. On June 10, you made a payment of \$1,200 to cover the June 15 installment. However, \$500 of this payment is applied first to the April 15 installment. The interest for the April 15 installment is figured from April 15 to June 10 (56 days). The amount remaining to be applied to the June 15 installment is \$700.

Line 25. If more than one payment was applied to fully pay the underpayment amount in a column (line 23), enter on line 25 the date and amount applied up to the underpayment amount. If a payment was more than the underpayment amount, enter the excess in the next column with the same date. See Example 3.

Example 3.

Your required installment for each payment due date is \$4,000. You made the following estimated tax payments.

Date	Payments
4/30/19	\$2,000
6/15/19	\$3,000
9/15/19	\$4,000
1/15/20	\$4,000

Line 23, column A, shows \$4,000. You enter "4/30 \$2,000" and "6/15 \$2,000" on line 25, column A. The remaining \$1,000 (\$3,000 – \$2,000) of the June 15 payment is entered on line 25, column B, "6/15 \$1,000." Also enter "9/15 \$3,000" on line 25, column B, because \$3,000 of the \$4,000 September payment must be used to fully pay the June underpayment. Continue in this manner until all your payments are used.

Line 26. If more than one payment was applied to an underpayment on line 23, enter the number of days each payment was late. See Example 4.

Example 4.

Using the same facts as Example 3 above, enter "15" (number of days from 4/15 to 4/30) and "60" (number of days from 4/15 to 6/15) on line 26, column A (see illustration under Example 5).

Line 27. If more than one payment was required to fully satisfy an underpayment amount, make a separate computation for each payment. See Example 5. If you filed your tax return by January 31 and paid in full the amount due as computed on the return, there is no underpayment interest penalty calculated on the fourth installment payment; enter \$0 for column D.

Example 5.

Assume the same facts as in Example 3, and an interest rate of 5 percent. On line 27, enter the interest for each underpayment: "6.58" ($\$2,000 \times (15 \times 0.05 \div 366)$) and "\$26.30" ($\$2,000 \times (60 \times 0.05 \div 366)$). The entries are illustrated below.

- 25. Enter the date(s) you paid the amount on line 23 or the 15th day of the fourth month after the close of the tax year, whichever is earlier (see instructions) 25.
- 26. Enter the number of days from the installment due date to the date shown on line 25 (see instructions) 26.
- 27. **Interest.** Multiply line 23 by line 26. Then multiply the result x 5% (0.05) and divide it by 366 27.

A	B	C	D
4/15/19	6/15/19	9/15/19	1/15/20
4/30/19 6/15/19			
15 63			
6.58 27.62			

Part IV. Annualized Income Installment Method

If your income varied during the year because, for example, you operated your business on a seasonal basis or had a large capital gain late in the year, you may be able to lower or eliminate the amount of one or more required installments by using the annualized income installment method. Use Part IV to figure the required installments to enter on line 14 of Part III.

If you use Part IV for any payment due date, you must use it for all payment due dates.

To use the annualized income installment method to figure interest on the underpayment of estimated tax payments, you must do all of the following:

1. Complete Part IV, lines 29 through 53. Enter the amounts from Part IV, line 53, columns A through D, in the corresponding columns of Part III, line 14.
2. Complete Part III to figure the interest.

To figure the amount of each required installment, Part IV selects the smaller of the annualized income installment or the regular installment (that has been increased by the amount saved by using the annualized income installment method in figuring any earlier installments).

Line 29. For each period (column), figure your Montana adjusted gross income. Include your share of partnership or S corporation income or loss items for the period. Note that each column will include the amount from the previous column because they are cumulative. For example, column B will include the amount from column A as well as your Montana adjusted gross income from 4/1/19 through 5/31/19.

Line 32. Enter your itemized deductions for each period. If you do not itemize deductions, enter zero in columns A through D and continue to line 35. Note that each column will include the amount from the previous column because they are cumulative. For example, column B will include the amount from column A as well as your itemized deductions from 4/1/19 through 5/31/19.

Estates and trusts need to enter zero and continue to line 37. Enter the amount from line 31 on line 37.

Line 35. Enter the full amount of your standard deduction. This is 20 percent (0.20) of line 31, but if your filing status is:

- Single or married filing separately, do not enter less than \$2,090 or more than \$4,710, or
- Married filing jointly or head of household, do not enter less than \$4,180 or more than \$9,420.

Line 38. For each column, multiply \$2,510 by your total exemptions. Your total exemptions can be found on your 2019 Form 2, page 1.

Line 40. To compute the tax, use the 2019 Montana Individual Income Tax Table located at the bottom of Form EST-I, page 2. If you are a nonresident multiply the result by the ratio of your Montana source income over line 29.

Line 41. If net Montana source capital gains are included in your Montana adjusted gross income reported on line 29, multiply the net Montana source capital gains amount by 2 percent (0.02) and enter the result on this line. If you are a resident, the Montana source capital gains are all your net gains. If you are a nonresident, your net Montana source gains are the gains derived from the sale of tangible property located in Montana, or held in connection with a trade or business carried on in the state.

Line 43. Enter your nonrefundable tax credits for each period. For a complete list and description of Montana nonrefundable tax credits, see Form 2 instructions.

Administrative Rules of Montana: 42.17.304 through 42.17.317

Questions? Please call us at (406) 444-6900, or Montana Relay at 711 for hearing impaired.