



# Montana Schedule K-1 (FID-3)

2024v1  
4/2024

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

For calendar year 2024 or tax year beginning  and ending

## Part I. Estate or Trust Information

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

Name of Estate or Trust  FEIN

Fiduciary's Name

Mailing Address

City  State  ZIP Code

## Part II. Beneficiary Information

Name  FEIN

Mailing Address  or SSN

City  State  ZIP Code

What type of entity is this beneficiary?

If beneficiary is an individual, estate, or trust, the beneficiary is a:  Full-year resident  Part-year resident  Nonresident

## Part III. Montana Adjustments (See instructions)

		A Everywhere	B Montana
1 Additions	1	00	00
2 Subtractions	2	00	00

## Part IV. Beneficiary's Share of Montana Source Income (Loss)

1 Interest income	1	00	00
2 Ordinary dividends	2	00	00
3 Net short-term capital gains	3	00	00
4 Unrecaptured section 1250 gain	4	00	00
5 Other portfolio and nonbusiness income	5	00	00
6 Ordinary business income	6	00	00
7 Net rental real estate income	7	00	00
8 Other rental income	8	00	00
9 Directly apportionable deductions	9	00	00
10 Net long-term capital gains	10	00	00

## Part V. Supplemental Information

1 Montana income tax withheld on Forms W2 and 1099. (See instructions)	1	00
2 Montana pass-through entity withholding allocated to beneficiary	2	00
3 Mineral royalty tax withheld allocated to beneficiary	3	00
4 Pass-through entity tax credit	4	00
5 Other information. List type <input type="text"/> 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



\*24DT0801\*

# Beneficiary's Instructions for Montana Schedule K-1 (Form FID-3)

## General Instructions

An estate or trust is required to provide a Montana Schedule K-1 to all beneficiaries. Montana Schedule K-1 shows information about a beneficiary's share of income, gains, losses, deductions, credits and other items from an estate or trust. The K-1 also provides information about the sourcing of the income. A beneficiary may need this information to appropriately complete their Montana tax return.

**Resident individual, estate, or trust beneficiary.** If you are a Montana resident individual, estate, or trust, your entire share of the estate's or trust's income, gains, losses, and deductions that is includable in your federal taxable income is Montana source income. Montana Schedule K-1 shows your share of Montana source income and Montana statutory adjustments from the estate or trust that may affect the preparation of your Montana tax return.

**Nonresident or part-year resident individual, estate, or trust beneficiary.** If you are a nonresident or part-year resident individual, estate, or trust, the amount of your share of the estate's or trust's income, gains, losses, and deductions sourced to Montana is used in determining your Montana tax liability. Your share of Montana source income and Montana statutory adjustments are reported on the Montana Schedule K-1. You will need the Montana Schedule K-1 in order to file your Montana tax return.

**Partnership or corporation beneficiary.** If you are a corporation, partnership, or limited liability company, the Montana Schedule K-1 shows your share of Montana source income and statutory adjustments from the estate or trust. These items may affect the preparation of your Montana tax return.

## Montana Schedule K-1, Parts I to VII

### Part I-Estate or Trust Information

**Final Schedule K-1.** If this box is checked, it indicates that the estate has closed or the trust has terminated and the return for the last tax period has been filed.

**Amended Schedule K-1.** If this box is checked, it indicates that the fiduciary has amended the return and a K-1 with the updated information has been issued. You may need to file an amended Montana tax return to report any changes.

### Part II-Beneficiary Information

**FEIN or SSN.** Only one of fields is entered to indicate the federal tax identification number of the beneficiary the K-1 is issued to.

**Beneficiary Type.** This indicates the entity type of the beneficiary such as "Individual", "Trust", "Corporation", or "Nonprofit".

**Beneficiary Residency Status.** This indicates the residency status of the beneficiary if it is an individual, estate, or trust, check the box next to the appropriate residency status. It relies on information given by the beneficiary to the trustee or personal representative of the trust or estate.

### Part III-Montana Adjustments

To compute Montana taxable income of beneficiaries, certain items must be added to income or subtracted from income. The amounts listed in Part III are the beneficiary's share of the totals. The details and breakdown of the various items are reported in Part VII.

### Part IV-Beneficiary's Share of Montana Source Income Column A-Everywhere-Lines 1-10.

This column shows the items of income shown on your federal K-1.

**Column B-Montana-Lines 1-10.** This column shows the Montana source items of income and deductions for non-resident and part-year resident beneficiaries. These amounts are used to determine the non-resident/part-year resident ratio on your Montana Form 2.

Income from intangibles such as interest and dividends earned while the trust or estate is a Montana resident is sourced to Montana. Income from business activity carried on within Montana is sourced to Montana. Rental income and capital gains are sourced to Montana if the asset is located within Montana.

Montana source income for residents is reported in Column A.

## Part V-Supplemental Information

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

**Line 1—Montana income tax withheld on Forms W2 and 1099.** If the estate or trust received any income reported on a W2 or 1099 and that was subject to Montana withholding and distributed the income to the beneficiary, the corresponding withholding amounts from Form FID-3, line 11b are reported here. The beneficiary reports the amounts withheld on the Montana tax return which reports the income.

**Line 2—Montana pass-through entity withholding allocated to beneficiary.** If the estate or trust was an owner of a pass-through entity and the entity withheld Montana tax on income that was distributed to the beneficiaries of the estate or trust, the allocated amount from Form FID-3, line 12b is reported here. The beneficiary reports the amounts withheld on the Montana tax return which reports the income.

**Line 3—Mineral royalty tax withheld allocated to beneficiary.** If mineral rights are held by the estate or trust of which you are a beneficiary, the royalty payments made to the estate or trust may be subject to withholding. If the trust allocated the withheld mineral royalty tax to the beneficiaries from Form FID-3, line 13b, the amount you can claim as a credit on your Montana tax return is listed. This withholding should not be confused with the amounts deducted from the royalty payments for production taxes.

**Line 4—Pass-through entity tax credit.** The estate or trust may have had an ownership interest in a pass-through entity that elected to pay PTET on behalf of the qualified owners. Any PTET credit allocated from Form FID-3, line 14b, to the beneficiaries is reported here.

**Line 5—Other information.** This line reports any other information about the estate or trust which affects the beneficiary's tax return.

## Part VI-Tax Credits

An estate or trust may have a tax credit such as the Contractor's Gross Receipts credit attributable to it from a pass-through entity it has an ownership interest in. An estate or trust may also generate a credit itself such as making a gift qualifying for the Qualified Endowment Credit. The Code, Credit Authorization Number (if applicable), and amount of credit available to the beneficiary are reported here. If more than two credits are reported, a statement listing the additional credits should be attached. (Please refer to the instructions for Form 2 for the potential credits and their codes)

## Part VII-Montana Adjustment Detail

The detail of the adjustment amounts reported in Part III is reported here with the code and amount. If more than six adjustments are reported to the beneficiary, a separate statement should be attached reporting the additional codes and amounts.

The possible additions include:

- **AA—Interest and Mutual Fund Dividends from State, County, or Municipal Bonds from Other States.** Enter the interest and mutual fund dividend income that the estate or trust received from bonds and obligations of another state, territory, or political subdivision of another state (county, municipality, district, etc.).
- **AB—State, local and foreign income taxes based on income and profits.** This includes all state, local and foreign taxes reported on federal Form 1041, Page 1, Line 11 and pass-through entity taxes paid by a partnership or S corporation to any state, including Montana, and deducted for federal tax purposes. Refer to state Schedules K-1 information received to aggregate the pass-through entity tax addition.
- **AC—Taxes paid by an S corporation.** If you are a shareholder in an S corporation that is required to pay a federal income tax on its income, include on this line the amount of your income that has been reduced by the federal income taxes paid by your S corporation. Refer to your federal Schedule K-1 to determine the amount of income that you must include as an addition to your federal taxable income.

- **AD–Recoveries.** If the estate or trust claimed a deduction in a prior year that reduced Montana taxable income and the deduction was subsequently reimbursed, enter that reimbursement.
- **AJ–Dividends Not Included in Federal Total Income.** Enter the amount of any dividends that the estate or trust received that are not already included in total federal income. Do not include qualified dividends since these are already in the total ordinary dividends reported on federal Form 1041, line 2a.
- **AZ–Other additions.** Include a detailed statement
- **SR–Subtraction for Federal Taxable U.S. Railroad Retirement Board Benefits.** Enter all taxable and nontaxable pensions and annuities, including Tier II Railroad Retirement benefits included in the FID-3 Federal Adjusted Total Income, line 1. However, do not include any nontaxable rollovers and your cost or net investment.

Please refer to the instructions for Form FID-3 and Form 2 for more information on these and other less common adjustments.

The possible subtractions include:

- **SA–Exempt Interest and Mutual Fund Dividends from Federal Bonds, Notes, and Other Obligations.**
- **SB–Recoveries of amounts deducted in earlier years included in federal taxable income that did not reduce Montana income tax.** If you are required to include in your federal taxable income any recovery of amounts that were refunded to you after you claimed the deduction of the expense on a prior federal income tax return, and if this previous deduction did not reduce your Montana income tax liability in the year of that deduction, you can subtract the amount of this recovery from your federal taxable income.
- **SM–Subtraction for working military retirees and military survivor benefits.** Montana resident working military retirees may be eligible to subtract a portion of their military retirement income from Montana taxable income. Also, beneficiaries receiving military survivor benefits under the U.S. Department of Defense’s Survivor Benefit Plan can exempt up to 50% of their military survivor benefits. Eligible beneficiaries include spouses, eligible children, or an “insurable interest” as defined by the U.S. Department of Defense.