



TAXATION IN MONTANA



Corporate Income Tax (1/2)

C-Corporations that conduct business in Montana or derive income from Montana sources are generally required to file a Montana corporate income tax return. Refer the below tabs for more details:



The due date for filing the Montana corporate income tax return for C corporations is on or before the 15th day of the fifth month following the close of the corporation's tax year.



C corporations in Montana typically use Form CIT (Corporate Income Tax Return) to report their income, deductions, and calculate the tax liability. This form should be filed with the Montana Department of Revenue.



Montana allows an automatic six-month extension for filing the corporate income tax return. Note that the extension is for the time to file the return and not for the payment of tax.

Corporate Income Tax (2/2)

C corporations in Montana are required to make estimated tax payments if their annual tax liability is expected to exceed USD 500. Estimated tax payments are generally due in four installments on the 15th day of the fourth, sixth, ninth, and twelfth months of the tax year.

If the return is not filed by the due date the corporate will be subject to late filing penalty. The penalty is greater of USD 5 or 5% of the tax due for the month and not to exceed 25% of the tax due.

If the corporation does not pay the tax liability by the due date of the return a late payment penalty of 0.5% per month on any unpaid tax will be assessed and it cannot exceed 12% of the tax due.



Pass through Entity Tax (1/2)

S corporations, partnerships, LLPs (Limited Liability Partnerships), and LLCs (Limited Liability Companies) are classified as pass-through entities (PTE).

This means that the income, deductions, and credits of the business are passed through to the owners or shareholders, who report them on their individual income tax returns.

The Montana PTE Tax Return is due on or before the 15th day of the third month following the close of the entity's tax year.

Montana pass-through entities typically use Form PTE (Montana Pass-Through Entity Tax Return) to report their income, deductions, and credits. This form should be filed with the Montana Department of Revenue.

Montana allows an automatic six-month extension for filing the Pass-through entity tax return. Note that the extension is for the time to file the return and not for the payment of tax.



Pass through Entity Tax (2/2)



Pass through entities in Montana are required to make estimated tax payments if their annual tax liability is expected to exceed USD 500. Estimated tax payments are generally due in four installments on the 15th day of the fourth, sixth, ninth, and twelfth months of the tax year.



Late filing penalty – The penalty is USD 10 multiplied by the no. of owners at the close of the tax year for each month. This penalty is calculated for up to five months and may not exceed USD 2500.



Late payment penalty – If the corporation does not pay the tax liability by the due date of the return a late payment penalty of 0.5% per month on any unpaid tax will be assessed and it cannot exceed 12% of the tax due.



The rate of interest is 5% for delay in payment of taxes.

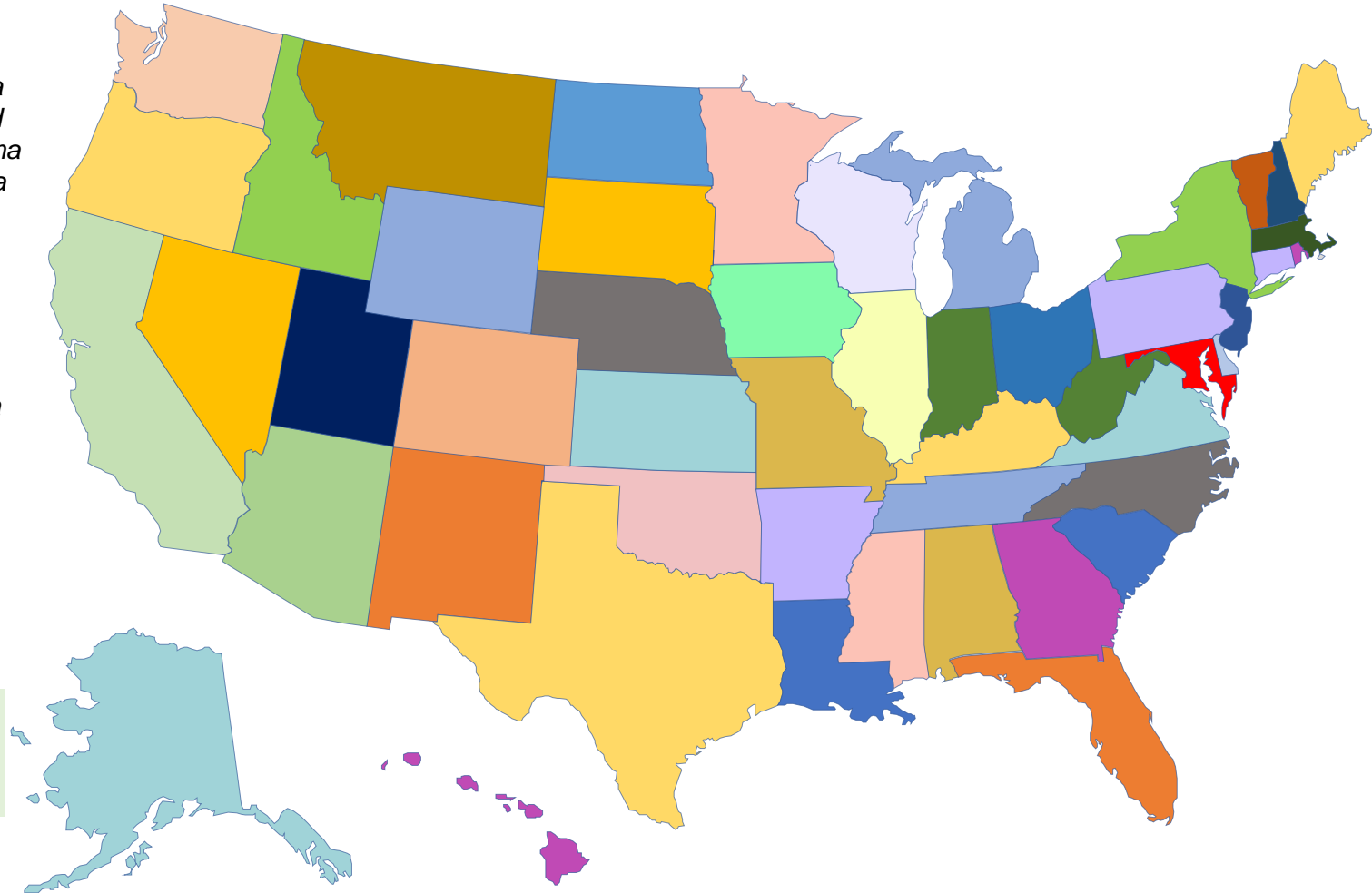


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