



ADMINISTRATIVE RULES OF MONTANA



42.15.110 TAXATION OF PART-YEAR RESIDENTS AND NONRESIDENTS

- (1) Part-year residents and nonresidents are subject to the same filing requirements as residents unless otherwise expressly exempted in statute.
- (2) Part-year residents and nonresidents must include all Montana source income on Form 2, Schedule II - Tax on Montana Source Income. Montana source income is defined in 15-30-2101, MCA.
- (3) Part-year residents and nonresidents compute their tax liability by multiplying the ratio of their Montana source income to everywhere income from all sources by the tax determined as if they were a resident for the entire tax year. Completing Schedule II - Tax on Montana Source Income determines this ratio.
- (4) A married couple comprised of one resident and one nonresident or part-year resident, filing jointly, must complete the Schedule II - Tax on Montana Source Income to compute the ratio of Montana income to everywhere income.
 - (a) The ratio's numerator is everywhere income for the resident spouse and Montana source income for the nonresident or part-year resident spouse.
 - (b) The ratio's denominator is everywhere income for both spouses.
 - (c) If the income for either spouse includes capital gains that are subject to tax under 15-30-2103(2), MCA, the couple must complete the net long-term gains portion of the schedule to determine the ratio in (4). The numerator is then all net long-term capital gains for the resident spouse and Montana source net long-term capital gains for the nonresident or part-year resident spouse. The ratio's denominator is all net long-term capital gains for the married couple.
- (5) A married couple filing under the terms of (4) is entitled to the credit for taxes paid to another state or country under 15-30-2302, MCA, only on income sourced to Montana based on residency which is subject to income tax in another state or country.

Authorizing statute(s): 15-30-2104, MCA

Implementing statute(s): 15-30-2101, 15-30-2103, 15-30-2104, 15-30-2120, 15-30-2131, 15-30-2132, 15-30-2151, 15-30-2153, 15-30-2154, MCA

History: NEW, 2004 MAR p. 3153, Eff. 12/17/04; AMD, 2010 MAR p. 1088, Eff. 4/30/10; AMD, 2013 MAR p. 178, Eff. 2/1/13; AMD, 2014 MAR p. 2976, Eff. 12/12/14; AMD, 2025 MAR, 42-1088, Eff. 1/25/25.