



ADMINISTRATIVE RULES OF MONTANA

42.9.201 COMPOSITE RETURN—ELECTION

- (1) A partnership or S corporation may elect to file a composite tax return and pay a composite tax on behalf of all eligible participants who consent to be included in the filing.
- (2) The partnership or S corporation filing a composite return must maintain and make available to the department, on request, a written power of attorney of each consenting, eligible participant authorizing it to file the composite return and act on the individual's behalf.
- (3) Any assessments of additional tax, penalties, and interest are the responsibility of the entity filing the composite return and will be based on the entity's total liability. Any additional assessment will be based on the total liability of the composite return.
- (4) The entity or its representative must represent the eligible participants in any appeals, claims for refunds, hearings, or court proceedings in any matter relating to the filing of the composite return.
- (5) Eligible participants who are nonresident individuals, estates, trusts, or foreign C corporations, and consent to be included in a composite filing, are consenting to such filing in lieu of filing a Montana income or corporate license tax return. The department will not accept Montana income or corporate license tax returns filed by an eligible participant for any tax year the eligible participant made a composite election.
- (6) Eligible participants who are second-tier pass-through entities and consent to be included in a composite filing are consenting to such filing in lieu of filing a Montana partnership or S corporation information and composite tax return. The department will not accept Montana partnership or S corporation information and composite tax returns filed by an eligible participant for any tax year the eligible participant made a composite election.

Authorizing statute(s): 15-30-3312, MCA

Implementing statute(s): 15-30-3312, MCA

History: NEW, 1996 MAR p. 2985, Eff. 10/4/96; TRANS, from ARM 42.15.702 and AMD, 2002 MAR p. 3708, Eff. 12/27/02; AMD, 2013 MAR p. 428, Eff. 3/29/13.