



ADMINISTRATIVE RULES OF MONTANA

42.9.112 APPORTIONABLE AND NONAPPORTIONABLE INCOME – APPORTIONMENT OR ALLOCATION – PASS-THROUGH ENTITIES

- (1) For purposes of the reporting requirements for pass-through entities that have Montana apportionable or nonapportionable income and determining their Montana source income and Montana tax liability, the department adopts by reference the following rules contained in ARM Title 42, chapter 26 - Corporate Multistate Activities, subchapters:
 - (a) 1 - General Provisions;
 - (b) 2 - Income Allocation and Apportionment, except ARM 42.26.204, 42.26.228, 42.26.229, and 42.26.260;
 - (c) 4 - Special Rules Related to Installment Sales;
 - (d) 6 - Railroads;
 - (e) 7 - Trucking;
 - (f) 8 - Airlines;
 - (g) 9 - Special Rules for Construction Contracts;
 - (h) 10 - Publishing Companies - Apportionment;
 - (i) 11 - Television and Radio Broadcasting;
 - (j) 12 - Telecommunication Services for Corporate Income Taxes; and
 - (k) 13 - Financial Institutions.
- (2) The pass-through entity may petition for or the department may require an alternative method of reporting activity in the state as provided in 15-1-601, MCA.
- (3) When applying the rules referred to in (1), the term "entity" replaces the term "corporation," and the provisions of Title 15, chapter 30, MCA, replace references to Title 15, chapter 31, MCA.
- (4) The reporting requirements in ARM 42.9.107 are in addition to and not in lieu of any rules referred to in (1) and the provisions of the Multistate Tax Compact, as adopted in 15-1-601, MCA.
- (5) A partnership whose operations are unitary with the business operations of a direct or indirect corporate partner and whose apportionment factors are included in the computation of that corporate partner's apportionment factors, pursuant to ARM 42.26.228, are considered a part of the corporate group for the purpose of applying the Finnigan Rule described in ARM 42.26.260.

Authorizing statute(s): 15-30-2620, MCA

Implementing statute(s): 15-1-601, 15-30-2111, 15-30-3302, 15-31-301, 15-31-305, MCA

History: NEW, 2018 MAR p. 854, Eff. 4/28/18.