



ADMINISTRATIVE RULES OF MONTANA

42.9.302 ELECTRONIC RETURNS REQUIRED FOR PARTNERSHIPS HAVING MORE THAN 100 MEMBERS

- (1) Effective for tax years beginning after December 31, 2013, a partnership having more than 100 partners over the course of its tax year must electronically file a Montana Partnership Information and Composite Return (Form PR-1), using department-approved e-filing tax software.
- (2) For purposes of this rule, the more than 100-partner threshold shall be considered satisfied if a partnership, on any one day over the course of the year, has more than 100 partners. For example:
 - (a) Partnership A has 95 partners on January 1, 2014. On April 1, 2014, ten new partners acquire partnership interests in Partnership A so that there are 105 total partners. On August 1, 2014, one of Partnership A's partners acquired the interests of ten partners which reduced the total number of partners to 95. Partnership A must file its Form PR-1 electronically because over the course of the tax year, the partnership had more than 100 partners.
- (3) A partnership may request a waiver of the electronic filing requirement if the partnership can demonstrate that compliance with the requirement would cause an undue hardship.
- (4) To request a waiver, the partnership must complete and timely submit a Partnership e-File Waiver Request form to the department along with the required supporting information as detailed on the form at least 30 days prior to the partnership's return due date including extensions. Examples of the supporting information include, but are not limited to, a description of the hardship, the incremental costs, and the steps to be taken to ensure the partnership's ability to file future returns electronically.
- (5) A waiver request may not be submitted with the partnership's return or with a request for an extension for filing the partnership's return.
- (6) Within 25 days after receipt of a waiver request provided for in (3), the department shall either approve or deny the request.

Authorizing statute(s): 15-1-201, 15-30-3315, MCA

Implementing statute(s): 15-30-2602, 15-30-3302, 15-30-3315, MCA

History: NEW, 2014 MAR p. 2979, Eff. 12/12/14.