



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

TERRITORIAL INDIVIDUAL INCOME TAX RETURN



Form **1040A-CM**

(Please type or print in ink)

2007

Name and Address	Your first name and initial		Last Name		Your social security number	
	If a joint return, spouse's first name and initial		Last Name		Spouse's social security number	
	Home Address (number and street). If you have a P.O. Box, see page 15.			Apt. no.		▲ IMPORTANT ! ▲ You must enter your SSN(s) above
	City, town or post office, state, and ZIP code. If you have foreign address, see page 15.					

Filing Status

Check only one box

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here ► _____

4 ☐ Head of household (with qualifying person). (See page 16.) If the qualifying person is a child but not your dependent, enter this child's name here ► _____

5 ☐ Qualifying widow(er) with dependent child (See page 17).

Exemptions

6a ☐ **Yourself.** If someone can claim you as a dependent on his or her tax return, **do not** check box 6a

b ☐ **Spouse**

Boxes checked on 6a and 6b _____

If more than six dependents see page 18	c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 18)	No. of children on 6c who: • lived with you _____ • did not live with you due to divorce or separation (see page 19) _____ Dependents on 6c not entered above: _____	
	(1) First name	Last name					
					<input type="checkbox"/>		
					<input type="checkbox"/>		
					<input type="checkbox"/>		
					<input type="checkbox"/>		
					<input type="checkbox"/>		

d Total number of exemptions claimed Add numbers on lines above ►

SOURCE OF INCOME			A. INCOME WITHOUT AND Income not subject to rebate	B. INCOME WITHIN AND Income subject to rebate	C. TOTAL INCOME
Income	7 Wages, salaries, tips, etc. Attach Form(s) W-2 and W-2CM 7				
	8a Taxable interest. Attach Schedule 1 if required 8a				
	b Tax-exempt interest. Do not include on line 8a _____				
	9a Ordinary dividends. Attach Schedule 1 if required 9a				
	b Qualified dividends. (See page 22) . . . 9b _____				
	10 Capital gain distributions (see page 22) 10				
	11a IRA distributions 11a _____ b Taxable amount (see page 22) . 11b				
	12a Pensions and annuities 12a _____ b Taxable amount (see page 23) 12b				
	13 Unemployment compensation and Alaska Permanent Fund dividends . 13				
	14a Social security benefits 14a _____ b Taxable amount (see page 25) 14b				
15a Add amounts in all columns lines 7 through 14b. This is your total income . . 15a					
b Allocable percentage (see supplemental instructions) 15b		%	%	100 %	
Adjusted gross income	16 Educator expenses (see page 25) 16				
	17 IRA deduction (see page 27). 17				
	18 Student loan interest deduction (see page 29) 18				
	19 Tuition and fees deduction. Attach Form 8917 19				
	20 Add lines 16 through 19. These are your total adjustments 20				
21 Subtract line 20 from line 15a, Col. C. This is your adjusted gross income 21					

	22 Enter the amount from line 21 (adjusted gross income)	22	
Taxable Income	23a Check if: <input type="checkbox"/> YOU were born before January 2, 1943, <input type="checkbox"/> Blind <input type="checkbox"/> SPOUSE was born before January 2, 1943, <input type="checkbox"/> Blind Total Boxes Checked ▶ 23a <input type="checkbox"/>		
	b If you are married filing separately and your spouse itemizes deductions, see page 30 and check here . 23b ▶ <input type="checkbox"/>		
	24 Enter your standard deduction . People who checked any box on line 23a or 23b or who can be claimed as a dependent, see page 30. All Others: Single - \$5,350 Married filing jointly or Qualifying widow(er) - \$10,700 Head of household - \$7,850 Married filing separately - \$5,350	24	
	25 Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-	25	
	26 If line 22 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 22 is over \$117,300, see the worksheet on page 32	26	
	27 Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income ▶	27	
Tax, credits, and payments	28 Tax , including any alternative minimum tax (see page 30)	28	
	29 Credit for child and dependent care expenses. Attach Schedule 2	29	
	30 Credit for the elderly or the disabled. Attach Schedule 3	30	
	31 Education credits. Attach Form 8863	31	
	32 Child tax credit (see page 35). Attach Form 8901 if required	32	
	33 Retirement savings contributions credit. Attach Form 8880	33	
	34 Add lines 29 through 33. These are your total credits	34	
	35 Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-	35	
	36 Advance earned income credit payments from Form(s) W-2 and W-2CM, box 9	36	
	37 Add lines 35 and 36. This is your total tax ▶	37	
ATTACH FORM(S) W-2, W-2CM, W-2G AND 1099-R HERE	38a Federal income tax withheld from Form W-2 and 1099	38a	
	b NMTIT (Chapter 7) withheld from Form W-2CM and 1099 (not included on 38a)	38b	
	39 2007 estimated tax payments and amount applied from 2006 return	39	
	40a Earned income credit (EIC)	40a	
	b Nontaxable combat pay election 40b _____		
	41 Additional child tax credit. Attach Form 8812 (See Part F of the Annual Wage and Salary Tax Return)	41	
	42 Add lines 38a, 38b, 39, and 40a. These are your total payments ▶	42	
Refund	43 If line 42 is more than line 37, subtract line 37 from line 42. This is the amount you overpaid before non-refundable credit and rebate offset	43	
	44 Amount of line 43 you want refunded to you (see supplemental instructions)	44	
	45 Amount of line 43 you want APPLIED TO YOUR 2008 ESTIMATED TAX (see supplemental instructions)	45	
Amount you owe	46 Amount you owe . Subtract line 42 from line 37. This is the amount you owe before non-refundable credits and rebate offset	46	
	47 Estimated tax penalty (see supplemental instructions)	47	
Third Party designee	Do you want to allow another person to discuss this return with the Division of Revenue and Taxation (see page 54)? <input type="checkbox"/> Yes. Complete the following <input type="checkbox"/> No		
	Designee's Name ▶	Phone no. ▶	Personal identification number (PIN) ▶ <input type="text"/>
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.			
Sign Here Join return? See page 15 Keep a copy for Your Records	Your signature		Date
	Spouse's signature. If a joint return, both must sign.		Date
	Your occupation		Daytime phone number ()
	Spouse's occupation		
Paid Preparer's Use Only	Preparer's signature ▶		Date
	Firm's name (or yours if self-employed), address, and ZIP code ▶		Check if self-employed ▶ <input type="checkbox"/>
	EIN		Preparer's SSN or PTIN
	Phone no. ()		

DEADLINE: APRIL 15, 2008



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
ANNUAL WAGE AND SALARY AND EARNINGS TAX RETURN



For Form **1040A-CM**

(Please type or print in ink)

2007

**Name
and
Address**

Your first name and initial		Last name		Your social security number	
If a joint return, spouse's first name and initial		Last name		Spouse's social security number	
Home address (number and street)			Apt. No.		
City, town or post office, state, and ZIP code					

▲ IMPORTANT ! ▲

You must enter
your SSN(s) above

See Form 1040A-CM Supplemental instructions

		A. YOURSELF	B. SPOUSE
PART A WAGE AND SALARY TAX COMPUTATION	1 CNMI wages and salaries from Form(s) W-2 and W-2CM	1	
	2 Other CNMI wages and salaries not included in line 1	2	
	3 Total CNMI wages and salaries. Add lines 1 and 2	3	
	4 Amount on line 3 not subject to the wage and salary tax (attach explanation)	4	
	5 CNMI wages and salaries. Subtract line 4 from line 3	5	
	6 Annual wage and salary tax (see tax table)	6	
	7 Education tax credit (attach Schedule ETC)	7	
	8 Wage and salary tax after credit. Subtract line 7 from line 6	8	
	9 Combined annual wage and salary tax. Add line 8, columns A and B	9	
	10 Wage and salary tax withheld and/or paid (Form W-2CM)	10	
	11 Total wage and salary tax due/(overpaid). Subtract line 10 from line 9. If zero or less, place a bracket around the figure	11	

		A. YOURSELF	B. SPOUSE
PART B EARNINGS TAX COMPUTATION	1 Interest	1	
	2 Dividends	2	
	3 Capital gains reported on line 10 (Form 1040A-CM)	3	
	4 Total income subject to the earnings tax. Add lines 1, 2 and 3	4	
	5 Annual earnings tax (see tax table)	5	
	6 Education tax credit (attach Schedule ETC)	6	
	7 Earnings tax after credit (subtract line 6 from line 5).	7	
	8 Total earnings tax due. Add line 7, columns A and B	8	

PART C

TOTAL CHAPTER 2 TAX DUE OR (OVERPAYMENT) Total Wage and Salary and Earnings Taxes Due/(Overpayment). Add line 11 of Part A and line 8 of Part B

If less than zero, place a bracket around the figure

PART D

COMPLETE FORM OS-3405A -COMPUTATION OF NON-REFUNDABLE CREDIT AND APPLICATION FOR REBATE ON CNMI SOURCE TAX BEFORE COMPLETING PART D BELOW

1 Chapter 7 tax underpayment after non-refundable credit. Enter amount from Form OS-3405A, line 13, part B	1	
2 Chapter 7 tax overpayment after non-refundable credit. Enter amount from Form OS-3405A, line 12, part B	2	()
3 Rebate offset amount. Enter amount from Form OS-3405A, line 14, part B	3	()
4 Chapter 7 liability or (overpayment) after rebate offset amount. Add lines 1 through 3 (Note lines 2 and 3 are negative)	4	
5 Tax on overpayment of credits	5	
6 Estimated tax penalty	6	
7 Total Chapter 7 liability or (overpayment). Add lines 4, 5 and 6	7	

PART E COMBINED DUE OR (OVERPAYMENT)

1	Amount due/(overpaid), Chapter 2 and Chapter 7. Add amount on Part C and line 4 of Part D. If this amount is an overpayment, skip lines 2 through 4	1		
2	CHAPTER 2 :			
	(a) _____ Enter amount underpaid	(b) Failure to file . . . (b)		
		(c) Failure to pay . . . (c)		
		(d) Interest charge . . . (d)		
3	CHAPTER 7 :			
	(a) _____ Enter amount underpaid	(b) Failure to file . . . (b)		
		(c) Failure to pay . . . (c)		
		(d) Interest charge . . . (d)		
4	Total penalty and interest charges (add lines 2b, 2c, 2d, 3b, 3c, and 3d)	4		
5	Total amount due/(overpaid), Chapter 2 and Chapter 7. Add lines 1 and 4 of this part, and lines 5 and 6 of part D.	5		
6	If line 5 is an overpayment, enter amount you want credited to your 2008 ESTIMATED TAX	6		
7	Net overpayment	7	()

PART F ADDITIONAL CHILD TAX CREDIT COMPUTATION**Special Notice**

This Part is provided to enable the Division of Revenue and Taxation to process your claim of the Additional Child Tax Credit (ACTC). Please note that the ACTC is being paid by the U.S. Treasury, and the Division of Revenue and Taxation is only facilitating your ACTC claim as agreed upon between the CNMI Department of Finance and the U.S. Treasury. By applying for the ACTC Refund and allowing the refund to be processed by the Division of Revenue and Taxation, you are giving the Division of Revenue and Taxation authorization to release tax information to the Internal Revenue Service (IRS). See supplemental instructions for Part F, line 2 regarding rebate offset amount.

1	Additional Child Tax Credit. Enter the amount from line 13 of Form 8812. (Attach Form 8812)	1		
2	Enter the amount underpaid from line 5, Part E above	2		
3	Additional Child Tax Credit refund. Subtract line 2 from line 1, but not less than zero)	3		
4	Amount you still owe on this return after offset of the ACTC. Subtract line 1 from line 2, but not less than zero	4		

Third Party Designee	Do you want to allow another person to discuss this return with the Division of Revenue and Taxation (see page 54)? <input type="checkbox"/> Yes. Complete the following <input type="checkbox"/> No			
	Designee's Name ▶	Phone no. ▶	Personal identification number (PIN) ▶	
Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.			
Keep a copy for Your Records	Your signature	Date	Your occupation	Daytime phone number ()
	Spouse's signature. If a joint return, Both must sign.	Date	Spouse's occupation	
Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶			EIN
				Phone no. ()

FOR OFFICIAL USE ONLY					
DATE FILED *	DATE PAID	AMOUNT PAID	RECEIPT NO.	VERIFIED BY	POSTED BY

DEADLINE: APRIL 15, 2008



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
COMPUTATION OF NON-REFUNDABLE CREDIT AND
APPLICATION FOR REBATE ON CNMI SOURCE INCOME TAX



Form **OS-3405A** (For Form 1040A-CM)

2007

**Please
Type
or
Print
in Ink**

Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street)		▲ IMPORTANT ! ▲ You must enter your SSN(s) above
City, town or post office, state, and ZIP code		

PART A - Non-refundable Credits

1 Wage and salary tax	1	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
2 Earnings tax	2	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
3 Total non-refundable credits. (Add lines 1 and 2)	3	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>

PART B - Rebate Computation

4 Allocable percentage:		
a Tax without the CNMI	4a _____ %	
b Tax within the CNMI	4b _____ %	
5 Total NMTIT on all sources	5	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
6 Total NMTIT payments made	6	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
7 Tax on sources without CNMI (multiply line 5 by the percentage as shown on line 4a)	7	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
8 Tax on sources within the CNMI (multiply line 5 by the percentage as shown on line 4b)	8	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
9 Total non-refundable credits (enter amount from line 3, part A)	9	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
10 Rebate Base (Adjusted CNMI source tax). Subtract line 9 from line 8. If zero or less, enter -0)	10	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
11 Total CNMI and NON-CNMI source tax after non-refundable credits (add lines 7 and 10)	11	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
12 NMTIT overpayment. If line 6 is greater than line 11, subtract line 11 from line 6, otherwise enter -0-	12	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
13 NMTIT underpayment. If line 11 is greater than line 6, subtract line 6 from line 11, otherwise enter -0-	13	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
14 Rebate offset amount. Calculate this amount as determined by the rebate base (line 10) using the rebate table below	14	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>

REBATE TABLE		
IF REBATE BASE (line 10) IS:	THE REBATE OFFSET AMOUNT IS:	EXAMPLE:
Not over \$20,000 ▶	90% of the rebate base ▶	Rebate base X 90%
\$20,001-\$100,000 ▶	\$18,000 plus 70% of the rebate base over \$20,000 ▶	Rebate base - 20,000 X 70% + 18,000

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

**Sign
Here**

**Keep a
copy
for Your
Records**

Your signature	Date	Your occupation	Daytime phone number ()
Spouse's signature. If a joint return, BOTH must sign		Date	Spouse's occupation
Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶			EIN
			Phone no. ()

**Paid
Preparer's
Use only**

FORM OS-3405A

Complete General Information – (a) names, (b) social security numbers, (c) address.

PART A **Non-refundable Credits**

1. Enter the wage and salary tax as shown on line 9, part A, of the Annual Wage and Salary and Earnings Tax Return.
2. Enter the earnings tax as shown on line 8, part B, of the Annual Wage and Salary and Earnings Tax Return.
3. Add all amounts shown in lines 1 and 2.

PART B **Rebate Computation**

- 4a. Enter the percentage (allocable ratio) of tax without the CNMI. This should be the percentage shown on line 15b, column A, page 1 of Form 1040A-CM.
- 4b. Enter the percentage (allocable ratio) of tax within the CNMI. This should be the percentage shown on line 15b, column B, page 1 of Form 1040A-CM.
5. Enter the tax as shown on line 37, page 2 of Form 1040A-CM.
6. Enter the total payments made for the taxable year as shown on line 42, page 2 of Form 1040A-CM.
7. Multiply the amount on line 5 by the percentage of tax without the CNMI as shown on line 4a.
8. Multiply the amount on line 5 by the percentage of tax within the CNMI as shown on line 4b.
9. Enter the total non-refundable credits from line 3, part A.
10. Subtract line 9 from line 8. If zero or less, enter zero.
11. Add lines 7 and 10.
12. If line 6 is greater than line 11, subtract line 11 from line 6, otherwise enter zero.
13. If line 11 is greater than line 6, subtract line 6 from line 11, otherwise, enter zero.
14. Compute the amount on line 13 as shown on the rebate table below.



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
Post Office Box 5234 CHRB, Saipan, MP 96950
Tel. (670) 664-1000

2007 FORM 1040A-CM

Supplemental Instructions

Booklet

- **Form 1040A-CM** (Use in conjunction with the 2007 Form 1040A Instructions - IRS Issue)
- **Wage and Salary Tax and Earnings Tax**
- **Computation of Non-refundable Credit and Application for Rebate on CNMI Source Income Tax**
- **Additional Child Tax Credit** (Form 8812)

Form 1040A-CM Supplemental Instructions

Lines 7 through 14b (*Instructions pages 21 thru 25*)

The rules for the determination of source of income are established in the Northern Mariana Territorial Income Tax Code ("NMTIT") sections 861 through 865 and associated U.S. Treasury regulations. Taxpayers and/or professionals should consult these statutes and regulations for detailed guidance on determining sources of income. You must allocate the income you are reporting on these lines between income without and within the Commonwealth based on their sources. Enter your figure in the appropriate columns.

Line 8a (*Instructions page 21*)

The tax on CNMI sourced interest income is not rebatable and must be entered under column A unless you elect to have this income subject to the earnings tax. You can elect to have this income subject to the earnings tax by entering the income under column B. If you enter the interest income under column B, you must include such income in the earnings tax section on page 3, part B of the return to avoid any discrepancies on your tax return.

Line 9a (*Instructions page 22*)

The tax on CNMI sourced dividend income is not rebatable and must be entered under column A unless you elect to have this income subject to the earnings tax. You can elect to have this income subject to the earnings tax by entering the income under column B. If you enter the dividend income under column B, you must include such income in the earnings tax section on page 3, part B of the return to avoid any discrepancies on your tax return.

Line 15a

Total the figures entered in each of the columns (A, B, and C) from lines 7 through 14b.

Line 15b

Make the percentage allocation of your income on line 15a by dividing the total in each column (A and B) by the total in column C.

Example: Percentage allocation for line 15b, column A

$$\frac{\text{Line 15a, column A}}{\text{Line 15a, column C}} = \text{Percentage allocation for line 15b, column A}$$

Percentage allocation for line 15b, column B

$$\frac{\text{Line 15a, column B}}{\text{Line 15a, column C}} = \text{Percentage allocation for line 15b, column B}$$

Line 21

Subtract line 20 from line 15a, column C (total income).

Line 38a

Total Federal Income Tax withheld (from Form(s) W-2 and/or Form(s) 1099 from without CNMI only). **Do not** include this amount on line 38b.

Line 38b

Total NMTIT withheld (chapter 7 tax from Form(s) W-2CM and/or Form(s) 1099 from within CNMI only). **Do not** include this amount on line 38a.

Lines 43, and 46.

These amounts are overpayments or tax due before the non-refundable credit and rebate offset. See instructions for part E.

Lines 44, 45, and 47.

Leave this line blank. See instructions for part E, line 5.

Wage and Salary Tax, Earnings Tax, and Chapter 7 Tax and Rebate Offset Calculations

PART A Wage and Salary Tax Computation

1. Enter total wages and salaries received for work performed in the CNMI per Form(s) W-2 and W-2CM. If this is a joint return, your spouse must also enter the same information, if any, in column B.
2. Enter in column A, other wages and salaries **received for work performed in the CNMI** which Form(s) W-2 and W-2CM were not issued or received. i.e. tips, and freelance income, etc. If this is a joint return, your spouse must also enter the same information, if any, in column B.
3. Add lines 1 and 2 under each column.
4. Enter the amount not subject to the wage and salary tax. Attach explanation. i.e. housing benefits included in line 1, etc. This amount will be disallowed if no explanation is attached.
5. Subtract line 4 from line 3 under each column. This is the total CNMI wages and salaries subject to the wage and salary tax.
6. Compute your tax liability on income reported on line 5 of each column using the wage and salary and earnings tax table below.

TAX TABLE FOR WAGE AND SALARY AND EARNINGS TAX COMPUTATION

FROM	TO	RATE	FROM	TO	RATE
(a) 0	1,000.00	-0-	f) 22,000.01	30,000.00	6.0%
(b) 1,000.01	5,000.00	2.0%	g) 30,000.01	40,000.00	7.0%
(c) 5,000.01	7,000.00	3.0%	h) 40,000.01	50,000.00	8.0%
(d) 7,000.01	15,000.00	4.0%	i) 50,000.01	and over	9.0%
(e) 15,000.01	22,000.00	5.0%			

7. Enter the amount, if any, cash contributions made during the taxable year to a qualified educational institution or other tax exempt educational institution located in the CNMI. The maximum educational credit allowable is the lesser of your cash contribution not to exceed \$5,000.00 or your combined wage and salary tax, earnings tax and business gross revenue tax liability. If this is a joint return and your spouse has also made a contribution, your spouse must enter that information in column B. Educational tax credit claimed on other tax returns must be taken into account in determining the remaining maximum allowable credit. Attach Schedule ETC.
8. Subtract line 7 from line 6.
9. Add the tax on line 8, columns A and B.
10. Enter the total Chapter 2 tax withheld as shown in Form(s) W-2CM. Also, enter other Chapter 2, wage and salary tax paid for wages and salaries.
11. Subtract line 10 from line 9. If this is an overpayment, place a bracket around the figure. This is the Chapter 2, wage and salary tax due or overpayment.

PART B Earnings Tax Computation

(Caution: If you reported interest and or dividend income under column B, page 1, (Form 1040A-CM) you must also include such income on lines 1 and or 2 of this part.)

1. Enter the amount from page 1, line 8a, column B of your income tax return.
2. Enter the amount from page 1, line 9a, column B of your income tax return.
3. Enter the amount from page 1 line 10, column B of your income tax return.
4. Add lines 1, 2, and 3 under each column.
5. Compute the earnings tax liability on the amount on line 4 of each column using the wage and salary and earnings tax table above.
6. Enter the amount, if any, cash contributions made during the taxable year to a qualified educational institution or other tax exempt educational institution located in the CNMI. The maximum educational credit allowable is the lesser of your cash contribution net to exceed \$5,000.00 or your combined wage and salary tax, earnings tax and business gross revenue tax liability. If this is a joint return and your spouse has also made a contribution, your spouse must enter that information in column B. Educational tax credit claimed on other tax returns must be taken into account in determining the remaining maximum allowable credit. Attach Schedule ETC.
7. Subtract line 6 from line.
8. Add line 7 of columns A and B. This is your earnings tax liability.

PART C **Total Chapter 2 (Wage and Salary and Earnings Tax) Due or Overpayment**

Add line 11 of part A and line 8 of part B and enter on this line. If the amount is less than zero, place a bracket around the figure.

COMPLETE SCHEDULE OS-3405A (APPLICATION FOR REBATE ON CNMI SOURCE TAX) BEFORE PROCEEDING TO PART D

PART D **Chapter 7 Tax and Rebate Offset Calculations**

1. Enter amount from Schedule OS-3405A, line 13, part B.
2. Enter amount from Schedule OS-3405A, line 12, part B.
3. Enter amount from Schedule OS-3405A, line 14, part B.
4. Add amounts in lines 1 thru 3 of this part. If amount is less than zero, place a bracket around the figure. Not that the amounts in lines 2 and 3 are negative numbers.
5. Enter the lesser of the line 40a of Form 1040A-CM or the amount on line 2 of this part (ignore the bracket).
6. To figure your estimated tax penalty on Form 2210, the tax amount is the amount shown on part B, line 11 of Form OS-3405A. If you want Revenue and Tax to compute this penalty for you, write "REVTAX" on the left side of this line. The penalty will be added to the amount you owe and will bill you.
7. Add lines 4, 5 and 6. This is your total Chapter 7 (NMTIT) liability or overpayment.

PART E **Combined Due or (Overpayment)**

1. AMOUNT DUE OR (OVERPAID). Add amount on part C and line 4 of part D. If this amount shows an overpayment, place a bracket around your figure and skip lines 2, 3, and 4.

2(a). If the amount on line 1 is a tax due, enter the lesser of the amount on line 1 or the amount on part C, but not less than zero.

2(b). To compute the failure to file penalty for Chapter 2 taxes: A penalty of 5% is imposed of the net amount due (line 2a) up to one month, with an additional 5% for every additional month or fraction thereof, up to maximum of 25%. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by $\frac{1}{2}$ of 1 %. Enter the failure to file penalty on this line.

2(c). To compute the failure to pay penalty for Chapter 2 taxes: A penalty of $\frac{1}{2}$ of 1 % per month, or fraction thereof, of the amount due (line 2a) shall be added for failure to pay up to a maximum of 25%. Enter the failure to pay penalty on this line.

2(d). To compute the interest on Chapter 2 taxes: Interest at prevailing rate compounded daily, is imposed on the amount due (line 2a). (NOTE: The annual interest rate is subject to change as determined by the Secretary). Enter the total Chapter 2 interest on this line.

3(a) If line 1 is a tax due, subtract line 2a from line 1 and enter amount on this line, but not less than zero.

3(b). To compute the failure to file penalty for Chapter 7 taxes: A penalty of 5% is imposed of the net amount due (line 3a) up to one month, with an additional 5% for every additional month or fraction thereof, up to maximum of 25%. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by $\frac{1}{2}$ of 1 %. Enter the failure to file penalty on this line.

3(c). To compute the failure to pay penalty for Chapter 7 taxes: A penalty of $\frac{1}{2}$ of 1 % per month, or fraction thereof, of the amount due (line 3a) shall be added for failure to pay tax up to a maximum of 25%. Enter the failure to pay penalty on this line.

3(d). To compute the interest on Chapter 7 taxes: Interest at prevailing rate compounded daily, is imposed on the amount due (line 3a). (NOTE: The annual interest rate is subject to change as determined by the Commissioner). Enter the total Chapter 7 interest on this line.

4. Add lines 2b, 2c, 2d, 3b, 3c and 3d. This is the total penalty and interest charges on Chapter 2 and Chapter 7 taxes.

5. Add lines 1 and 4 of this part, and lines 5 and 6 of part D. If it is a tax due, Make your check payable to: "CNMI Treasurer". This amount supersedes the amount you owe on line 46 of Form 1040A-CM. If it is an overpayment, place a bracket around your figure and continue on line 6.

6. Enter amount of overpayment on line 5, you want applied to your 2008 ESTIMATED TAX, but not more than the amount on line 5. This amount is in lieu of line 45 of Form 1040A-CM.

7. Add lines 5 and line 6. This is the net combined overpayment (refund and rebate) that will be refunded to you.

PART F Additional Child Tax Credit Computation (If filing Form 8812, otherwise skip this part)

1. Enter the amount of your Additional Child Tax Credit from Form 8812, line 13. Attach Form 8812 to this return.

2. Enter the tax owed on this return as shown on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return. If you enter the amount as requested, you are authorizing an offset of your tax due on this return against your ACTC. If you do not authorize an offset of your tax due, you must pay the amount shown on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return.

3. If line 1 is greater than line 2, subtract line 2 from line 1. This is your ACTC refund.

4. If line 2 is greater than line 1, subtract line 1 from line 2. This is the amount you owe on this return after offset of the ACTC. Pay this amount.

Filing and Deadline

Drop return to Revenue and Tax Office:

Saipan	Division of Revenue and Taxation Joeten Dandan Commercial Building San Vicente, Saipan
Tinian	Division of Revenue and Taxation San Jose Village, Tinian
Rota	Division of Revenue and Taxation Songsong Village, Rota

If filing by mail, please send to: DIVISION OF REVENUE AND TAXATION
POST OFFICE BOX 5234 CHRB
SAIPAN, MP 96950

Filing Deadline: **April 15, 2008**