



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



CORPORATE INCOME TAX RETURN

For calendar year 2009 or tax year beginning _____, 2009, ending _____, 20__

Form **1120-CM**

2009

A Check if :		Name	B Employer identification number
1a Consolidated return (attach Form 851) <input type="checkbox"/>	Please type or print in ink	Number, street, and room or suite no. (If a P.O. box, see instructions.)	C Date incorporated
b Life/nonlife consolidated return <input type="checkbox"/>			D Total Assets (see instructions)
2 Personal holding company (attach schedule PH) <input type="checkbox"/>			\$
3 Personal Service Corp (see instructions) <input type="checkbox"/>		City or town, state, and ZIP code	
4 Schedule M-3 attached <input type="checkbox"/>			
E Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

SOURCE OF INCOME		A. INCOME WITHOUT	B. INCOME WITHIN	C. TOTAL
Income	1 a Gross receipts or sales 1a			
	b Less returns and allowances 1b			
	c Bal ▶	1c		
	2 Cost of goods sold (Schedule A, line 8)	2		
	3 Gross profit. Subtract line 2 from line 1c	3		
	4 Dividends (Schedule C, line 19)	4		
	5 Interest	5		
	6 Gross rents	6		
	7 Gross royalties	7		
	8 Capital gain net income (attach Schedule D (Form 1120))	8		
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797).	9		
10 Other income (see instructions - attach schedule	10			
11 Total income. Add lines 3 through 10 ▶	11			
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)	12		
	13 Salaries and wages (less employment credits)	13		
	14 Repairs and maintenance	14		
	15 Bad debts	15		
	16 Rents	16		
	17 Taxes and licenses	17		
	18 Interest	18		
	19 Charitable contributions	19		
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)	20		
	21 Depletion	21		
	22 Advertising	22		
	23 Pension, profit-sharing, etc., plans	23		
	24 Employee benefit programs	24		
	25 Domestic production activities deduction (attach Form 8903)	25		
	26 Other deductions (attach schedule)	26		
	27 Total deductions. Add lines 12 through 26 ▶	27		
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28		
28a Allocable percentage	28a	%	%	100 %
29 Less: a Net operating loss deduction (see instructions) 29a	29a			
b Special deductions (Schedule C, line 20) 29b	29b			
29c	29c			
Tax, Refundable Credits and Payments	30 Taxable income. Subtract line 29c from line 28 column C (see instructions)	30		
	31 Total tax (Schedule J, line 10)	31		
	32 a 2008 overpayment credited to 2009	32a		
	b 2009 estimated tax payments	32b		
	c 2009 refund applied for on Form 4466	32c		
	d Bal ▶	32d		
	e Tax deposited with Form 7004	32e		
	f Credits: (1) Form 2439 (2) Form 4136	32f		
g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g			
32h	32h			
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached. <input type="checkbox"/>	33			
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed	34			
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	35			
36 Enter amount from line 35 you want: Credited to 2010 estimated tax (see line 7, part A, page 2) ▶	36			
Refunded ▶	36			

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the Division of Revenue and Taxation discuss this return with the preparer shown below (see instructions)? Yes No

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Phone No. ()

Part A Chapter 7 Tax Adjustment (See supplemental of instructions.)

1 Tax underpaid before rebate offset. Enter amount from line 14 of Form OS-3405A	1		
2 Tax overpaid before rebate offset. Enter amount from line 13 of Form OS-3405A	2	()
3 Late charges. Enter all applicable late charges here. Also include estimated tax penalty. (see supplemental instructions)	3		
4 Rebateoffset amount. Enter the amount from line 15 of Form OS-3405A	4	()
5 Tax on overpayment of credit. Enter the lesser of line 13 of Form OS-3405A or the total of lines 32f and 32g, as shown on page 1 of this return. If zero or less, enter -0-	5		
6 Total due (or overpaid). Add lines 1 through 5 of this part. If this line shows amount due, pay this amount. Stop here. If this line shows an overpayment, place a bracket around the figure and continue on lines 7, 8 and 9	6		
7 If line 6 is an overpayment, enter amount you want credited to your 2010 ESTIMATED TAX	7		
8 If line 6 is an overpayment, enter amount you want credited to your 2010 BUSINESS GROSS REVENUE TAX	8		
9 Net overpayment. Subtract the total of lines 7 and 8 from line 6	9		

Schedule A Cost of Goods Sold (See instructions)

1 Inventory at beginning of year	1		
2 Purchases	2		
3 Cost of labor	3		
4 Additional section 263A costs (attach schedule)	4		
5 Other costs (attach schedule)	5		
6 Total. Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶ -----

- b** Check if there was a writedown of subnormal goods ▶
- c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
- d** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO . . . **9d** |
- e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? **Yes** **No**
- f** Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes" attach explanation **Yes** **No**

Schedule C Dividends and Special Deductions (See instructions)

	(a) Dividends Received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	1	70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	2	80	
3 Dividends on debt-financed stock of domestic and foreign corporations	3	see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities	4	42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities	5	48	
6 Dividends from less-than-20%-owned foreign corporations and certain FCSs	6	70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FCSs	7	80	
8 Dividends from wholly owned foreign subsidiaries	8	100	
9 Total. Add lines 1 through 8. See instructions for limitation	9		
10 Dividends from domestic corporations received by a small business investment company operating under the small business investment Act of 1958	10	100	
11 Dividends from affiliated group members	11	100	
12 Dividends from certain FSCs	12	100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	13		
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	14		
15 Foreign dividend gross-up	15		
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3	16		
17 Other dividends	17		
18 Deduction for dividends paid on certain preferred stock of public utilities	18		
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	19		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶	20		

Schedule E Compensation of Officers (See instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120CM) are \$500,000 or more.

1 a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d)	(e) Preferred	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					2
3 Compensation of officers claimed on Schedule A and elsewhere on return					3
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					4

Schedule J Tax Computation (See instructions)

1 Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2 Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2	
3 Alternative minimum tax (attach Form 4626)		3	
4 Add lines 2 and 3		4	
5a Foreign tax credit (attach Form 1118)		5a	
b Credits from Form 8834, line 29		5b	
c General business credit. Attach Form 3800		5c	
d Credit for prior year minimum tax (attach Form 8827)		5d	
e Bond credits from 8912		5e	
6 Total credits. Add lines 5a through 5e		6	
7 Subtract line 6 from line 4		7	
8 Personal holding company tax (attach Schedule PH (Form 1120))		8	
9 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)		9	
10 Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10	

Schedule K Other information (see instructions)

	YES	NO
1 Check method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____		
2 See the instructions and enter the:		
a Business activity code no. ▶ _____		
b Business activity ▶ _____		
c Product or service ▶ _____		
3 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ _____		
4 At the end of the tax year:		
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership) or trust or tax exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes", complete Part I of Schedule G (Form 1120) (attach Schedule G)		
b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of these stock entitled to vote? If "Yes", complete Part II of Schedule G (Form 1120) (attach Schedule G)		

Schedule K Continued

5 At the end of the tax year, did the corporation:

YES	NO
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a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions
If "Yes", complete (i) through (iv).

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions
If "Yes", complete (i) through (iv).

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(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Organization	Maximum (iv) Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)
If "Yes", file **Form 5452**, Corporate Report of Nondividend Distributions.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

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7 At anytime during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes", enter:

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(i) Percentage owned ▶ _____ and **(ii)** Owner's country ▶ _____
(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned CNMI Corporation or a Foreign Corporation Engaged in a CNMI Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipt (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?
If "Yes", the corporation is not required to complete schedules L, M-1, and M-2 on page 5. Instead, enter the total amount to cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____

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Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash	1			
2a	Trade notes and accounts receivable	2a			
b	Less allowance for bad debts	b	()	(
3	Inventories	3			
4	U.S. government obligations	4			
5	Tax-exempt securities (see instructions)	5			
6	Other current assets (attach schedule)	6			
7	Loans to shareholders	7			
8	Mortgage and real estate loans	8			
9	Other investments (attach schedule)	9			
10a	Buildings and other depreciable assets	10a			
b	Less accumulated depreciation	b	()	(
11a	Depletable assets	11a			
b	Less accumulated depletion	b	()	(
12	Land (net of any amortization)	12			
13a	Intangible assets (amortizable only)	13a			
b	Less accumulated amortization	b	()	(
14	Other assets (attach schedule)	14			
15	Total assets	15			
Liabilities and Stockholder's Equity					
16	Accounts payable	16			
17	Mortgages, notes, bonds payable in less than 1 year	17			
18	Other current liabilities (attach schedule)	18			
19	Loans from shareholders	19			
20	Mortgages, notes, bonds payable in 1 year or more	20			
21	Other liabilities (attach schedule)	21			
22	Capital stock: a Preferred stock	22a			
	b Common stock	22b			
23	Additional paid-in capital	23			
24	Retained earnings - Appropriated (attach schedule)	24			
25	Retained earnings - Unappropriated	25			
26	Adjustments to shareholders' equity (attach schedule)	26			
27	Less cost of treasury stock	27	()	(
28	Total liabilities and shareholders' equity	28			

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more-see instructions

1	Net income (loss) per books	1			7	Income recorded on books this year not included on this return (itemize):	
2	NMTIT per books	2				Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains	3			7		
4	Income subject to tax not recorded on books this year (itemize): _____	4				8	Deductions on this return not charged against book income this year (itemize):
5	Expenses recorded on books this year not deducted on this return (itemize):						a Depreciation \$ _____
	a Depreciation \$ _____						b Charitable contributions \$ _____
	b Charitable contributions \$ _____						
	c Travel and entertainment \$ _____						
6	Add lines 1 through 5	5			9	Add lines 7 and 8	
		6			10	Income (page 1, line 28) - line 6 less line 9 .	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	1			5a	Distributions: a Cash
2	Net income (loss) per books	2			5b	b Stock
3	Other increases (itemize): _____				5c	c Property
					6	Other decreases (itemize):
		3			7	Add lines 5 and 6
4	Add lines 1, 2, and 3	4			8	Balance at end of year (line 4 less line 7) .



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



APPLICATION FOR REBATE ON CNMI SOURCE INCOME TAX

Do not write in this space

Form **OS-3405A** FOR USE WITH FORM 1120CM (See instructions on reverse side)

2009

Please type or print in ink	Corporate Name	TIN	
	Mailing Address	Telephone number ()	Contact person

PART A - NON-REFUNDABLE CREDITS

1 Business gross revenue tax

Name	Tax ID No.		
a)		a)	
b)		b)	
c)		c)	
2 User fees paid		2	
3 Fees and taxes imposed under 4CMC §2202(h) (see instructions)		3	
4 Total non-refundable credits (add lines 1 through 3)		4	

PART B - REBATE COMPUTATION

5 Allocable percentage: a Tax without the CNMI	5a _____%		
b Tax within the CNMI	5b _____%		
6 Total NMTIT on all sources	6		
7 Total NMTIT payments made	7		
8 Tax on sources without the CNMI (multiply line 6 by the percentage as shown on line 5a)	8		
9 Tax on sources within the CNMI (multiply line 6 by the percentage as shown on line 5b)	9		
10 Total non-refundable credits (enter amount from line 4, PART A)	10		
11 Rebate offset base CNMI source tax (subtract line 10 from line 9. If zero or less, enter -0-)	11		
12 Total CNMI and Non-CNMI source tax after non-refundable credits (add lines 8 and 11)	12		
13 NMTIT overpayment. If line 7 is greater than line 12, subtract line 12 from line 7. Otherwise enter -0-	13		
14 NMTIT underpayment. If line 12 is greater than line 7, subtract line 7 from line 12. Otherwise enter -0-	14		
15 Rebate offset amount (enter here and on line 4, page 2, PART A of form 1120CM)	15		

PART C - Business Gross Revenue Tax Credit Allocation

Enter the TIN and amount you want credited from line 8, Part A, page 2. The total credit allocation shall be equal to the amount on line 8, Part A, page 2.

TIN	AMOUNT	
3105G	3105AF	3105MW

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 complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

SIGN HERE Signature of officer _____ Date _____ Title _____

PAID PREPARER'S USE ONLY	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
	Firm's name (or yours if self-employed) address, and ZIP code	Date	EIN	Telephone no. ()

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

*If received after the due date, show post mark.

2009 OS-3405A INSTRUCTIONS for 1120CM

General

- ▶ Name and address. Fill in name and address.
- ▶ TIN. Enter taxpayer identification number.

PART A. NON-REFUNDABLE CREDITS

1. Enter the amount of business gross revenue tax paid or accrued during the taxable year under 4CMC Chapter 3. For partners and/or shareholders of a sub-chapter S corporation, your share of BGRT should be in accordance with the percentage of profit or losses, or the equity, whichever is applicable. If you have more than one business name, list each one separately with its respective TIN and amount of BGRT. This is the tax imposed under 4CMC §1301.
2. Enter the amount of user fees paid during the taxable year under 4CMC §1421.
3. Enter the amount of fees and taxes paid or accrued during the taxable year under 4CMC §2202(h), in lieu of the tax imposed under 4CMC §1301.
4. Add all amounts shown in lines 1 through 3.

PART B. REBATE COMPUTATION

- 5a. Enter the percentage (allocable ratio) of tax without the CNMI. This should be the percentage shown on Form 1120CM, page 1, line 28a, column A.
- 5b. Enter the percentage (allocable ratio) of tax within the CNMI. This should be the percentage shown on Form 1120CM, page 1, line 28a, column B.
6. Enter the tax from Form 1120CM, line 31.
7. Enter the total payments made for the taxable year from Form 1120CM, line 32h.
8. Multiply the amount on line 6 by the percentage of tax without the CNMI as shown on line 5a.
9. Multiply the amount on line 6 by the percentage of tax within the CNMI as shown on line 5b.
10. Enter the total non-refundable credits from line 4, part A.
11. Rebate offset base. Subtract line 10 from line 9. If zero or less, enter zero.
12. Add lines 8 and 11.
13. If line 7 is greater than line 12, subtract line 12 from line 7. Otherwise enter zero.
14. If line 12 is greater than line 7, subtract line 7 from line 12. Otherwise enter zero.
15. Compute the amount on line 11 as shown on the rebate table below.

REBATE TABLE		
IF REBATE OFFSET BASE (line 11) IS:	THE REBATE OFFSET AMOUNT IS:	EXAMPLE:
Not over \$20,000	90% of the rebate offset base	Rebate offset base x 90%
\$20,000-\$100,000	\$18,000 plus 70% of the rebate offset base over \$20,000	Rebate offset base - 20,000 x 70% + 18,000
Over \$100,000	\$74,000 plus 50% of the rebate offset base over \$100,000	Rebate offset base - 100,000 x 50% + 74,000

PART C. BUSINESS GROSS REVENUE TAX CREDIT ALLOCATION

Enter for each type of tax the Taxpayer Identification Number (TIN) and amount to be allocated. The total credit allocation shall be equal to the amount on line 8, Part A, page 2.

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

2009 Supplemental Instructions for Form 1120CM

INCOME

Lines 1 through 10

Allocate the income being reported on these lines between income from without and within the Commonwealth based on their sources. Enter the figures in the appropriate column.

Line 11

Total the income entered on lines 1 through 10 for each column and enter the total in their respective columns.

DEDUCTIONS

Lines 12 through 26

Allocate the deductions being reported based on the source of the income they are attributable to. Enter the figures in the appropriate column.

Line 27

Total the deductions entered on lines 12 through 26 for each column and enter the total in their respective columns.

Line 28

Subtract line 27 from line 11 for columns A, B, and C.

Line 28a

Make a percentage allocation of the taxable income from each source in proportion to the total taxable income by dividing the taxable income on line 28, columns A and B, respectively by the total taxable income from line 28, column C.

Example:

Percentage Allocation for line 28a, column A

Line 28, column A = Percentage allocation for line 28a, column A divided by Line 28, column C

Percentage Allocation for line 28a, column B

Line 28, column B = Percentage allocation for line 28a, column B divided by Line 28, column C

Caution: If the percentage allocation is less than zero, enter zero. If more than 100%, enter only 100%.

TAX AND PAYMENTS

Line 30

Subtract line 29c from line 28, column C.

Line 32h

Add lines 32a, 32b, 32d through 32g.

Line 33

Figure your estimated tax penalty. See also instructions for Part A line 3.

Line 34

If the total of lines 31 and 33 is larger than line 32g, enter the difference. This is the amount owed before the non-refundable under 4 CMC §1308(a). Form OS-3405A must also be completed to figure out adjustment of the tax. See instructions for Part A, line 6.

Line 35

If the total of lines 31 and 33 is smaller than line 32g, enter the difference. This is the amount overpaid before the non-refundable credit under 4 CMC §1308(a). Form OS-3405A must also be completed to figure out adjustment of the tax. See instructions for Part A, line 7.

Line 36

Leave the line for 2009 estimated tax blank. The amount of overpayment available for estimated tax may be more as a result of tax rebate. Make your estimated tax carry over election on line 7, Part A.

PART A CHAPTER 7 TAX ADJUSTMENT (Top of page 2 of the return)-see instructions below. To fill in part A, you must first complete Form OS-3405A. Part A, provides adjustments for the non-refundable credit and tax rebate that may be available. Follow the instructions for every line item. If line 6 is an amount due, please pay that amount and make your check payable to: "CNMI TREASURER".

Caution: Make sure that the figures in brackets "()" are added correctly as negative figures.

Attach Form OS-3405A to the return when filing.

INSTRUCTIONS FOR PART A, PAGE 2 of Form 1120-CM

Part A CHAPTER 7 TAX ADJUSTMENT

1. Enter amount from line 14 of Form OS-3405A.
2. Enter amount from line 13 of Form OS-3405A. Place a bracket around the figure.
3. Enter all applicable late charges here, based on the underpaid tax. Also include estimated tax penalty. For purposes of late charges, the underpaid tax is the amount shown on line 14 over the amount on line 15 of Form OS-3405A. The purpose of estimated tax penalty, the current year tax is the amount shown on line 11 of Form OS-3405A as compared to total payments as shown on line 7 Form OS-3405A.
4. Enter the amount from line 15 of Form OS-3405A. Place a bracket around the figure.
5. Enter the lesser of line 13 of Form OS-3405A or 32f and 32g as shown in page 1 of this return. If zero or less, enter - 0 -.
6. Total due (or overpaid). Add lines 1 through 5 of this part. If this line shows amount due, pay this amount. If this line shows an overpayment, place a bracket around the figure and continue on lines 7 and 8.
7. If line 6 is an overpayment, enter amount you want credited to 2010 **ESTIMATED TAX**. This line supersedes line 36, page 1 of the return.
8. **Enter remaining overpayment from line 6 you want credited to your 2010 BUSINESS GROSS REVENUE TAX, after deduction of 2010 ESTIMATED TAX, if any.**
9. **Net overpayment.** Subtract lines 7 and 8 from line 6.