



**DIVISION OF REVENUE AND TAXATION**  
Commonwealth of the Northern Mariana Islands  
**CNMI Income Tax Return of a Foreign Corporation**



Form **1120F-CM** For calendar year 2010, or tax year beginning \_\_\_\_\_, 2010, and ending \_\_\_\_\_, 2010  
▶ See separate instructions.

<b>Please print or type.</b>	Name _____	Employer identification number _____
	Number, street, and room or suite no. (see instructions) _____	<b>Check box(es) if:</b> <input type="checkbox"/> Initial return <input type="checkbox"/> Name or address change <input type="checkbox"/> Final return <input type="checkbox"/> First post-merger return <input type="checkbox"/> Amended return <input type="checkbox"/> Schedule M-3 attached <input type="checkbox"/> Protective return
	City or town, state and ZIP code, or country (see instructions) _____	

<p><b>A</b> Country of incorporation _____</p> <p><b>B</b> Foreign country under whose laws the income reported on this return is also subject to tax _____</p> <p><b>C</b> Date incorporated _____</p> <p><b>D</b> (1) Location of corporation's primary books and records (city, province or state, and country) _____          (2) Principal location of worldwide business _____          (3) If the corporation maintains an office or place of business in the CNMI, check here <input type="checkbox"/></p> <p><b>E</b> If the corporation had an agent in the United States at any time during the tax year, enter:          (1) Type of agent _____          (2) Name _____          (3) Address _____</p> <p><b>F</b> See page 22 of the instructions and enter the corporation's principal:          (1) Business activity code number ▶ _____          (2) Business activity ▶ _____          (3) Product or service ▶ _____</p> <p><b>G</b> Check method of accounting: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual          (3) <input type="checkbox"/> Other (specify)▶ _____</p>	<p><b>H</b> Did the corporation's method of accounting change from the preceeding tax year . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>          If "Yes," attach an explanation.</p> <p><b>I</b> Did the corporation's method of determining income change from the preceeding tax year . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>          If "Yes," attach an explanation.</p> <p><b>J</b> Did the corporation file a CNMI income tax return for the preceeding tax year? . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b></p> <p><b>K</b> (1) At any time during the tax year, was the corporation engaged in a trade or business in the United States?          (2) If "Yes," is taxpayer's trade or business within the United States solely the result of a section 897 (FIRPTA) sale or disposition? . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b></p> <p><b>L</b> At any time during the tax year, did the corporation have a permanent establishment in the United States for purposes of any applicable tax treaty between the CNMI and a foreign country . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>          If "Yes," enter the name of the foreign country: _____</p> <p><b>M</b> Did the corporation have any transactions with related parties? If "Yes," Form 5472 may have to be filed (see instructions). Enter number of Forms 5472 attached ▶ _____</p> <p><b>Note:</b> Additional information is required on page 2.</p>
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**Computation of Tax Due or Overpayment**

1 Tax from section 1, line 11, Page 2 . . . . .	1				
2 Tax from Section II, Schedule J, line 9, page 4 . . . . .	2				
3 Tax from Section III (add lines 6 and 10 on page 5) . . . . .	3				
<b>4 Total tax.</b> Add lines 1 through 3 . . . . .	<b>4</b>				
<b>5a</b> 2009 overpayment credited to 2010 . . . . .	<b>5a</b>				
<b>b</b> 2010 estimated tax payments . . . . .	<b>5b</b>				
<b>c</b> Less 2010 refund applied for on Form 4466 . . . . .	<b>5c</b>				
<b>d</b> Combine lines 5a through 5c . . . . .	<b>5d</b>				
<b>e</b> Tax deposited with Form 7004 . . . . .	<b>5e</b>				
<b>f</b> Credit for tax paid on undistributed capital gains (attach Form 2439) . . . . .	<b>5f</b>				
<b>g</b> Credit for federal tax on fuels (attach Form 4136). See instructions . . . . .	<b>5g</b>				
<b>h</b> Refundable credits from Form 3800, line 19c, and Form 8827, line 8c . . . . .	<b>5h</b>				
<b>i</b> NMTIT (Chapter 7) paid or withheld at source (add line 12, page 2, and amounts from Forms 8288-A and 8805 (attach Forms 8288-A and 8805)) . . . . .	<b>5i</b>				
<b>j</b> Total payments. Add lines 5d through 5i . . . . .	<b>5j</b>				
<b>6</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . <input type="checkbox"/>	<b>6</b>				
<b>7 Amount owed.</b> If line 5j is smaller than the total of lines 4 and 6, enter amount owed . . . . .	<b>7</b>				
<b>8 Overpayment.</b> If line 5j is larger than the total of lines 4 and 6, enter amount overpaid . . . . .	<b>8</b>				
<b>9</b> Enter portion of line 8 you want <b>Credited to 2011 estimated tax</b> . . . . . ▶ _____ <b>Refunded</b> ▶ _____ <b>9</b>					

**Sign Here** 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 Revenue and Taxation discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
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<b>Paid Preparer's Use Only</b>	Preparer's name _____	Preparer's Signature _____	Date _____	Check if <input type="checkbox"/> self-employed	PTIN _____
	Firm's name ▶ _____				EIN _____
	Firm's address ▶ _____				Phone no. _____

**Additional Information** (continued from page 1)

<b>N</b> Is the corporation a controlled foreign corporation? (See section 957(a) for definition) . . . . .	Yes	No		<b>V</b> At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (See section 267(c) for rules of attribution) . . . . . If "Yes," attach a schedule showing the name and identifying number. (Do not include any information already entered in item <b>T</b> .) Enter percentage owned ▶ _____  <b>W</b> Is the corporation taking a position on this return that a U.S. tax treaty overrules or modifies an Internal Revenue law of the United States, thereby causing a reduction of tax? . . . . . If "Yes," the corporation is generally required to complete and attach Form 8833. See Form 8833 for exceptions. <b>Note:</b> Failure to disclose a treaty-based return position may result in a \$10,000 penalty (see section 6712).  <b>X</b> During the tax year, did the corporation own any entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each such entity.  <b>Y</b> (1) Did a partnership allocate to the corporation a distributive share of income from a directly owned partnership interest, any of which is ECI or treated as ECI by the partnership or the partner? If "Yes," attach Schedule P. See instructions. (2) During the tax year, did the corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see instructions for required attachment.  <b>Z</b> (1) Has the corporation made any allocation or reallocation of income based on section 482 and its regulations? (2) Has the corporation recognized any interbranch amounts? If "Yes," attach statement (see instructions)  <b>AA</b> Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? If "Yes," complete and attach Schedule UTP.	Yes	No
<b>O</b> Is the corporation a personal service corporation? (See instructions for definition) . . . . .						
<b>P</b> Enter tax-exempt interest received or accrued during the tax year (see instructions) ▶ \$ _____						
<b>Q</b> At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a CNMI corporation? (See section 267(c) for rules of attribution.) . . . . . If "Yes," attach a schedule showing (1) name and EIN of such CNMI corporation; (2) percentage owned; and (3) taxable income or (loss) before NOL and special deductions of such CNMI corporation for the tax year ending with or within your tax year.						
<b>R</b> If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here . . . . . ▶ <input type="checkbox"/>						
<b>S</b> Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 30a, page 3.) ▶ \$ _____						
<b>T</b> Is the corporation a subsidiary in a parent-subsidiary controlled group? . . . . . If "Yes," enter the parent corporation's: (1) EIN ▶ _____ (2) Name ▶ _____						
<b>U(1)</b> Is the corporation a dealer under section 475? . . . . .						
<b>(2)</b> Did the corporation mark to market any securities or commodities other than in a dealer capacity?						

**SECTION I— Income From CNMI Sources Not Effectively Connected With the Conduct of a Trade or Business in the CNMI**—Do not report items properly withheld and reported on Form 1042-S. See instructions.

Include below **only** income from CNMI sources that is **not** effectively connected with the conduct of a trade or business in the CNMI. Do not report items properly withheld and reported on Form 1042-S. Report only items that (a) are not correctly withheld at source or (b) are not correctly reported on Form 1042-S. The rate of tax on each item of **gross** income listed below is 30% (4% for the gross transportation tax) or such lower rate specified by tax treaty. No deductions are allowed against these types of income. Enter treaty rates where applicable. **If the corporation is claiming a lower treaty rate, also complete item W above.** If multiple treaty rates apply to a type of income (e.g., subsidiary and portfolio dividends or dividends received by disregarded entities), attach a schedule showing the amounts, tax rates, and withholding for each.

Name of treaty country, if any ▶ _____		(a) Class of income (see instructions)	(b) Gross amount	(c) Rate of tax (%)	(d) Amount of tax liability	(e) Amount of CNMI income tax paid or withheld at the source
<b>1</b>	Interest . . . . .					
<b>2</b>	Dividends . . . . .					
<b>3</b>	Rents . . . . .					
<b>4</b>	Royalties . . . . .					
<b>5</b>	Annuities . . . . .					
<b>6</b>	Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting schedule) . . . . .					
<b>7</b>	Gains from sale or exchange of patents, copyrights, etc. . . . .					
<b>8</b>	Fiduciary distributions (attach supporting schedule)					
<b>9</b>	Gross transportation income (attach Schedule V)			<b>4</b>		
<b>10</b>	Other fixed or determinable annual or periodic gains, profits, and income. . . . . _____ _____					
<b>11</b>	Total. Enter here and on line 1, page 1. . . . .					
<b>12</b>	Total. Enter here and include on line 5i, page 1 . . . . . ▶					
<b>13</b>	Is the corporation fiscally transparent under the laws of the foreign jurisdiction with respect to any item of income listed above? If "Yes," attach a schedule that provides the information requested above with respect to each such item of income.				<input type="checkbox"/> Yes <input type="checkbox"/> No	

**SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the CNMI (see instructions)**

**Important:** Fill in all applicable lines and schedules. If you need more space, see **Assembling the Return** in the instructions.

<b>Income</b>	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal	▶	1c		
	2	Cost of goods sold (Schedule A, line 8) . . . . .										
	3	Gross profit (subtract line 2 from line 1c) . . . . .										
	4	Dividends (Schedule C, line 14) . . . . .										
	5	Interest . . . . .										
	6	Gross rents . . . . .										
	7	Gross royalties . . . . .										
	8	Capital gain net income (attach Schedule D (Form 1120)) . . . . .										
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) . . . . .										
	10	Other income (see instructions—attach schedule) . . . . .										
	11	<b>Total income.</b> Add lines 3 through 10 . . . . . ▶										
<b>Deductions</b> (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4) . . . . .										
	13	Salaries and wages (less employment credits) . . . . .										
	14	Repairs and maintenance . . . . .										
	15	Bad debts (for bad debts over \$500,000, attach a list of debtors and amounts) . . . . .										
	16	Rents . . . . .										
	17	Taxes and licenses . . . . .										
	18	Interest expense from Schedule I, line 2 . . . . .										
	19	Charitable contribution . . . . .										
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562). . . . .										
	21	Depletion . . . . .										
	22	Advertising . . . . .										
	23	Pension, profit-sharing, etc., plans . . . . .										
	24	Employee benefit programs . . . . .										
	25	Domestic production activities deduction (attach Form 890) . . . . .										
	26	Deductions allocated and apportioned to ECI from Schedule H, line 20 (see instructions) . . . . .										
	27	Other deductions (attach schedule) . . . . .										
	28	Total deductions. Add lines 12 through 27. . . . . ▶										
	29	Taxable income before NOL deduction and special deductions (subtract line 28 from line 11) . . . . . ▶										
	30	Less:	a	Net operating loss deduction (see instructions) . . . . .	30a							
			b	Special deductions (Schedule C, line 15) . . . . .	30b							
		c	Add lines 30a and 30b . . . . .							30c		
31	Taxable income or (loss). Subtract line 30c from line 29 . . . . .											

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year . . . . .										
2	Purchases . . . . .										
3	Cost of labor . . . . .										
4	Additional section 263A costs (attach schedule) . . . . .										
5	Other costs (attach schedule) . . . . .										
6	Add lines 1 through 5 . . . . .										
7	Inventory at end of year . . . . .										
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Section II, line 2, above . . . . .										
9a	Check all methods used for valuing closing inventory:										
	(1)	<input type="checkbox"/> Cost as described in Regulations section 1.471-3									
	(2)	<input type="checkbox"/> Lower of cost or market as described in Regulations section 1.471-4									
	(3)	<input type="checkbox"/> Other (Specify method used and attach explanation.) ▶									
b	Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) . . . . . ▶ <input type="checkbox"/>										
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ▶ <input type="checkbox"/>										
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? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No										
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No										

**SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the CNMI**  
(continued)

<b>Schedule C Dividends and Special Deductions</b> (see instructions)				
	(a) Dividends received	(b) %	(c) Special deductions:	
			(a)	(b)
<b>1</b> Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70		
<b>2</b> Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80		
<b>3</b> Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions		
<b>4</b> Dividends on certain preferred stock of less-than-20%-owned public utilities		42		
<b>5</b> Dividends on certain preferred stock of 20%-or-more-owned public utilities		48		
<b>6</b> Dividends from less-than-20%-owned foreign corporations . . . . .		70		
<b>7</b> Dividends from 20%-or-more-owned foreign corporations . . . . .		80		
<b>8 Total.</b> Add lines 1 through 7. See instructions for limitation . . . . .				
<b>9</b> Dividends from foreign corporations not included on lines 3, 6, or 7 . . . . .				
<b>10</b> Foreign dividend gross-up (section 78) . . . . .				
<b>11</b> IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))				
<b>12</b> Other dividends . . . . .				
<b>13</b> Deduction for dividends paid on certain preferred stock of public utilities . . . . .				
<b>14 Total dividends.</b> Add lines 1 through 12. Enter here and on line 4, page 3 . . . . .				
<b>15 Total special deductions.</b> Add lines 8 and 13. Enter here and on line 30b, page 3 . . . . .				

**Schedule E Compensation of Officers** (See instructions for Section II, line 12.)  
**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 of Section II) are \$500,000 or more.

(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) Common	(e) Preferred	
<b>1a</b>		%	%	%	
<b>b</b>		%	%	%	
<b>c</b>		%	%	%	
<b>d</b>		%	%	%	
<b>e</b>		%	%	%	
<b>2</b> Total compensation of officers . . . . .					
<b>3</b> Compensation of officers claimed on Schedule A and elsewhere on this return . . . . .					
<b>4</b> Subtract line 3 from line 2. Enter the result here and on line 12, page 3 . . . . .					

<b>Schedule J Tax Computation</b> (see instructions)			
<b>1</b> Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) . . . . .			<input type="checkbox"/>
<b>2</b> Income tax. Check if a qualified personal service corporation (see instructions) . . . . .			<input type="checkbox"/>
<b>3</b> Alternative minimum tax (attach Form 4626) . . . . .			
<b>4</b> Add lines 2 and 3 . . . . .			
<b>5a</b> Foreign tax credit (attach Form 1118) . . . . .			
<b>b</b> General business credit (attach Form 3800) . . . . .			
<b>c</b> Credit for prior year minimum tax (attach Form 8827) . . . . .			
<b>d</b> Bond credits from Form 8912 . . . . .			
<b>6 Total credits.</b> Add lines 5a through 5d . . . . .			
<b>7</b> Subtract line 6 from line 4 . . . . .			
<b>8</b> 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) . . . . .			
<b>9 Total tax.</b> Add lines 7 and 8. Enter here and on line 2, page 1 . . . . .			

**SECTION III—Branch Profits Tax and Tax on Excess Interest**

**Part I—Branch Profits Tax** (see instructions)

<b>1</b>	Enter the amount from Section II, line 29 . . . . .	<b>1</b>		
<b>2</b>	Enter total adjustments to line 1 to get effectively connected earnings and profits. (Attach required schedule showing the nature and amount of adjustments.) (See instructions.) . . . . .	<b>2</b>		
<b>3</b>	Effectively connected earnings and profits. Combine line 1 and line 2 . . . . .	<b>3</b>		
<b>4a</b>	Enter CNMI net equity at the end of the current tax year. (Attach required schedule.) . . . . .	<b>4a</b>		
<b>4b</b>	Enter CNMI net equity at the end of the prior tax year. (Attach required schedule.) . . . . .	<b>4b</b>		
<b>4c</b>	Increase in CNMI net equity. If line 4a is greater than or equal to line 4b, subtract line 4b from line 4a. Enter the result here and skip to line 4e . . . . .	<b>4c</b>		
<b>4d</b>	Decrease in CNMI net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b . . . . .	<b>4d</b>		
<b>4e</b>	Non-previously taxed accumulated effectively connected earnings and profits. Enter excess, if any, of effectively connected earnings and profits for preceding tax years beginning after 1986 over any dividend equivalent amounts for those tax years . . . . .	<b>4e</b>		
<b>5</b>	Dividend equivalent amount. Subtract line 4c from line 3. If zero or less, enter -0-. If no amount is entered on line 4c, add the lesser of line 4d or line 4e to line 3 and enter the total here . . . . .	<b>5</b>		
<b>6</b>	<b>Branch profits tax.</b> Multiply line 5 by 30% (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). Enter here and include on line 3, page 1. (See instructions.) <b>Also complete item W on page 2</b> . . . . .	<b>6</b>		

**Part II—Tax on Excess Interest** (see instructions for this Part and for Schedule I)

<b>7a</b>	Enter the interest from Section II, line 18 . . . . .	<b>7a</b>		
<b>7b</b>	Enter the inverse of the total amount deferred, capitalized, and disallowed from Schedule I, line 24d (i.e., if line 24d is negative, enter as a positive number; if line 24d is positive, enter as a negative number) . . . . .	<b>7b</b>		
<b>7c</b>	Combine lines 7a and 7b (amount must equal Schedule I, line 23) . . . . .	<b>7c</b>		
<b>8</b>	<b>Branch Interest</b> (see instructions for definition): Enter the sum of Schedule I, line 9, column (c), and Schedule I, line 22. If the interest paid by the foreign corporation's CNMI trade or business was increased because 80% or more of the foreign corporation's assets are CNMI assets, check this box <input type="checkbox"/> . . . . .	<b>8</b>		
<b>9a</b>	Excess interest. Subtract line 8 from line 7c. If zero or less, enter -0- . . . . .	<b>9a</b>		
<b>9b</b>	If the foreign corporation is a bank, enter the excess interest treated as interest on deposits. Otherwise, enter -0-. (See instructions.) . . . . .	<b>9b</b>		
<b>9c</b>	Subtract line 9b from line 9a . . . . .	<b>9c</b>		
<b>10</b>	<b>Tax on excess interest.</b> Multiply line 9c by 30% or lower treaty rate (if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. <b>Also complete item W on pag 2</b> . . . . .	<b>10</b>		

**Part III—Additional Information**

		Yes	No
<b>11</b>	Is the corporation claiming a reduction in, or exemption from, the branch profits tax due to:		
<b>a</b>	A complete termination of all CNMI trade or businesses? . . . . .		
<b>b</b>	The tax-free liquidation or reorganization of a foreign corporation? . . . . .		
<b>c</b>	The tax-free incorporation of a CNMI trade or business? . . . . .		
If <b>11a</b> or <b>11b</b> applies and the transferee is a domestic corporation, attach Form 8848. If <b>11c</b> applies, attach the statement required by Temporary Regulations section 1.884-2T(d)(5).			

**Note:** Check if completing on  CNMI basis or  Worldwide basis.

**Schedule L Balance Sheets per Books**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
<b>1</b> Cash . . . . .				
<b>2a</b> Trade notes and accounts receivable . . . . .				
<b>b</b> Less allowance for bad debts . . . . .	( )		( )	
<b>3</b> Inventories . . . . .				
<b>4</b> CNMI government obligations . . . . .				
<b>5</b> Tax-exempt securities (see instructions) . . . . .				
<b>6a</b> Interbranch current assets* . . . . .				
<b>b</b> Other current non-CNMI assets . . . . .				
<b>c</b> Other current CNMI assets . . . . .				
<b>7</b> Loans to shareholders . . . . .				
<b>8</b> Mortgage and real estate loans . . . . .				
<b>9a</b> Other loans and investments—non-CNMI assets* . . . . .				
<b>b</b> Other loans and investments—CNMI assets* . . . . .				
<b>10a</b> Buildings and other depreciable assets . . . . .				
<b>b</b> Less accumulated depreciation . . . . .	( )		( )	
<b>11a</b> Depletable assets . . . . .				
<b>b</b> Less accumulated depletion . . . . .	( )		( )	
<b>12</b> Land (net of any amortization) . . . . .				
<b>13a</b> Intangible assets (amortizable only) . . . . .				
<b>b</b> Less accumulated amortization . . . . .	( )		( )	
<b>14</b> Assets held in trust . . . . .				
<b>15</b> Other non-current interbranch assets* . . . . .				
<b>16a</b> Other non-current non-CNMI assets* . . . . .				
<b>b</b> Other non-current CNMI assets . . . . .				
<b>17</b> Total assets . . . . .				
<b>Liabilities</b>				
<b>18</b> Accounts payable . . . . .				
<b>19</b> Mortgages, notes, bonds payable in less than 1 year:				
<b>a</b> Interbranch liabilities* . . . . .				
<b>b</b> Third-party liabilities* . . . . .				
<b>20</b> Other current liabilities* . . . . .				
<b>21</b> Loans from shareholders . . . . .				
<b>22</b> Mortgages, notes, bonds payable in 1 year or more:				
<b>a</b> Interbranch liabilities* . . . . .				
<b>b</b> Third-party liabilities* . . . . .				
<b>23</b> Liabilities held in trust . . . . .				
<b>24 a</b> Other interbranch liabilities* . . . . .				
<b>b</b> Other third-party liabilities* . . . . .				
<b>Equity (see instructions)</b>				
<b>25</b> Capital stock: <b>a</b> Preferred stock . . . . .				
<b>b</b> Common stock . . . . .				
<b>26</b> Additional paid-in capital . . . . .				
<b>27</b> Retained earnings—Appropriated* . . . . .				
<b>28</b> Retained earnings—Unappropriated . . . . .				
<b>29</b> Adjustments to shareholders' equity* . . . . .				
<b>30</b> Less cost of treasury stock . . . . .	( )		( )	
<b>31</b> Total liabilities and shareholders' equity . . . . .				

\*Attach schedule—See instructions.



**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 1120F-CM (See instructions on reverse side)

**2010**

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

**PART A - NON-REFUNDABLE CREDITS**

**1** Business gross revenue tax

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

**PART B - REBATE COMPUTATION**

<b>5</b> Total NMTIT . . . . .		<b>5</b>			
<b>6</b> Total NMTIT payments made . . . . .		<b>6</b>			
<b>7</b> Total non-refundable credits (enter amount from line 4, PART A) . . . . .		<b>7</b>			
<b>8</b> Rebate offset base (subtract line 7 from line 5. If zero or less, enter -0-) . . . . .		<b>8</b>			
<b>9</b> NMTIT overpayment. If line 6 is greater than line 8, subtract line 8 from line 6. Otherwise enter -0- . . . . .		<b>9</b>			
<b>10</b> NMTIT underpayment. If line 8 is greater than line 6, subtract line 6 from line 8. Otherwise enter -0- . . . . .		<b>10</b>			
<b>11</b> Rebate offset amount (see instructions on reverse side) . . . . .		<b>11</b>			

**PART C - CHAPTER 7 TAX ADJUSTMENT** (See supplemental of instructions.)

<b>1</b> Tax underpaid before rebate offset. Enter amount from line 10 above . . . . .		<b>1</b>			
<b>2</b> Tax overpaid before rebate offset. Enter amount from line 9 above . . . . .		<b>2</b>	(		)
<b>3</b> Late charges. Enter all applicable late charges here. Also include estimated tax penalty. (see instructions) . . . . .		<b>3</b>			
<b>4</b> Rebate offset amount. Enter the amount from line 11 above . . . . .		<b>4</b>	(		)
<b>5</b> Tax on overpayment of credit. Enter the lesser of line 2 of this Part or the total of lines 5f, 5g and 5h as shown on page 1 of Form 1120F-CM. If zero or less, enter -0- . . . . .		<b>5</b>			
<b>6</b> Total due (or overpaid). Add lines 1 through 5 of this part. If this line shows amount due, pay this amount. <b>Stop here.</b> If this line shows an overpayment, place a bracket around the figure and continue on lines 7 through 9. . . . .		<b>6</b>			
<b>7</b> If line 6 is an overpayment, enter amount you want credited to your <b>2011 ESTIMATED TAX</b> . . . . .		<b>7</b>			
<b>8</b> If line 6 is an overpayment, enter amount you want credited to your <b>2011 BUSINESS GROSS REVENUE TAX</b> . . . . .		<b>8</b>			
<b>9</b> Net overpayment. Subtract the total of lines 7 and 8 from line 6 . . . . .		<b>9</b>			

**PART D - 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.

TAX TYPE	3105G	3105AF	3105MW	
TIN				
AMOUNT				

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

Signature of officer	Date	Title
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<b>PAID PREPARER'S USE ONLY</b>	Print/Type Preparer's name	Preparer's Signature	Date	Check if <input type="checkbox"/> self-employed	Preparer's social security no.
	Firm's name		Date	EIN	
	Firm's address			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.

# 2010 OS-3405A INSTRUCTIONS for 1120F-CM

## 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

5. Enter the tax from Form 1120F-CM, page 1 line 4.
6. Enter the total payments made for the taxable year from Form 1120F-CM, page 1, line 5j.
7. Enter the total non-refundable credits from line 4, part A.
8. Rebate offset base. Subtract line 7 from line 6. If zero or less, enter zero.
9. If line 6 is greater than line 8, subtract line 8 from line 6. Otherwise enter zero.
10. If line 8 is greater than line 6, subtract line 6 from line 8. Otherwise enter zero.
11. Compute the amount on line 8 as shown on the rebate table below.

### PART C - CHAPTER 7 TAX ADJUSTMENT

- 1 **Tax underpaid before rebate offset.** Enter amount from line 10 above
- 2 **Tax overpaid before rebate offset.** Enter amount from line 9 above
- 3 **Late charges.** Enter all applicable late charges here. Also include estimated tax penalty. For purposes of estimated tax penalty (Form 2220), the underpayment tax is the amount shown on line 8 of Part B above.
- 4 **Rebate offset amount.** Enter the amount from line 11 above
- 5 **Tax on overpayment of credit.** Enter the lesser of line 2 of this Part or the total of lines 5f and 5g as shown on page 1 of Form 1120F-CM. 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. **Stop here.** If this line shows an overpayment, place a bracket around the figure and continue on lines 7, 8 and 9
- 7 If line 6 is an overpayment, enter amount you want credited to your 2011 estimated tax.
- 8 **If line 6 is an overpayment, enter amount you want credited to your 2011 BUSINESS GROSS REVENUE TAX**
- 9 **Net overpayment.** Subtract the total of lines 7 and 8 from line 6

<b>REBATE TABLE</b>		
IF REBATE OFFSET BASE (line 8) IS:	THE REBATE OFFSET AMOUNT IS:	EXAMPLE:
<b>Not over \$20,000</b>	<b>90% of the rebate offset base</b>	<b>Rebate offset base x 90%</b>
<b>\$20,000-\$100,000</b>	<b>\$18,000 plus 70% of the rebate offset base over \$20,000</b>	<b>Rebate offset base - 20,000 x 70% + 18,000</b>
<b>Over \$100,000</b>	<b>\$74,000 plus 50% of the rebate offset base over \$100,000</b>	<b>Rebate offset base - 100,000 x 50% + 74,000</b>

### 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 C.

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