



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
Territorial Individual Income Tax Return



(Please type or print in ink)

Form 1040A-CM

2011

Do not write in this space

Name, Address and SSN	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 instructions.		Apt. No.	IMPORTANT ! You must enter SSN(s) above
	City, town, or post office, state and ZIP code. If you have a foreign address, see instructions.			
	Foreign country name	Foreign Province/Country	Foreign postal code	

Filing Status Check only one box	1 <input type="checkbox"/> Single		4 <input type="checkbox"/> Head of household (with qualifying person).(see instructions)	
	2 <input type="checkbox"/> Married filing joint (even if only one had income)		If the qualifying person is a child but not your dependent, enter this child's name here.	
	3 <input type="checkbox"/> Married filing separately. Enter spouse's social security no. above and full name here ▶		5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)	

Exemp- tions	6a <input type="checkbox"/> Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a				} No. of boxes checked on 6a and 6b		
	b <input type="checkbox"/> Spouse					No. of children on 6c who:	
	c Dependents:				● lived with you		
	(1) First name	Last name	(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 instructions)	● did not live with you due to divorce or separation (see instructions)
						<input type="checkbox"/>	
						<input type="checkbox"/>	
				<input type="checkbox"/>			
d Total number of exemptions claimed.....					Dependents on 6c not entered above		

SOURCE OF INCOME

		A.		B.		C.	
		INCOME WITHOUT		INCOME WITHIN		TOTAL INCOME	
Income	7 Wages, salaries, tips, etc. Attach Form(s) W-2 and W-2CM.....	7					
	8a Taxable interest. Attach Schedule B if required	8a					
	b Tax-exempt interest. DO NOT include on line 8a..... [8b] <input type="text"/>	9a					
	9a Ordinary dividends. Attach Schedule B if required						
	b Qualified dividends (see instructions) [9b] <input type="text"/>						
	10 Capital gain distribution (see instructions).....	10					
	11a IRA distribution. 11a <input type="text"/> 11b Taxable amount (see instructions)	11b					
	12a Pensions and annuities. 12a <input type="text"/> 12b Taxable amount (see instructions)	12b					
	13 Unemployment compensation and Alaska Permanent Fund dividend.	13					
	14a Social security benefits 14a <input type="text"/> 14d Taxable amount (see instructions)	14b					
	15a Total Income. Add amounts shown in all columns for lines 7 through 14b.....	15a					
	15b Allocable percentage (see instructions).....	15b	%	%	100%		
	Adjusted Gross Income	16 Educator expenses (see instructions)	16				
		17 IRA deduction (see instructions).....	17				
		18 Student loan interest deduction (see instructions).....	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						

For Disclosure, Privacy Act and Paperwork Reduction Act Notice, see separate instruction.

Form 1040A-CM (2011)

Tax and Credits <small>Standard deduction for • People who check any box on line 23a or 23b or who can be claimed as dependent, see instructions. • All others: Single or Married filing Separately, \$5,800 Married filing jointly or Qualifying widow(er) \$11,600 Head of household \$8,500</small>	22	Enter the amount from line 21 (adjusted gross income).....		22
	23a	Check if: <input type="checkbox"/> You were born before Jan. 2, 1947, <input type="checkbox"/> Blind. } Total boxes checked <input style="width: 40px;" type="text"/> 23a		
		<input type="checkbox"/> Spouse was born before Jan. 2, 1947, <input type="checkbox"/> Blind. }		
	b	If you are married filing separately and your spouse itemizes deductions, check here..... 23b <input type="checkbox"/>		
	24	Enter your standard deduction .	24	
	25	Subtract line 24 from line 22. If line 24 is more than line 22 enter -0-	25	
	26	Exemptions. Multiply \$3,700 by the number on line 6d.....	26	
	27	Taxable Income. Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-.....	27	
	28	Tax , including alternative minimum tax (see instructions).....	28	
	29	Credit for child and dependent care expenses. Attach Form 2441.....	29	
	30	Credit for the elderly or disabled. Attached Schedule R.....	30	
	31	Education credits from Form 8863, line 23.....	31	
	32	Retirement savings contributions credit. Attach Form 8880	32	
	33	Child tax credit. (see instructions)	33	
	34	Add lines 29 through 33. These are your total credits	34	
35	Total tax. Subtract line 34 from line 28. If line 34 is more than line 28, enter zero.....	35		
Payments <small>If you have a qualifying child, attach Schedule EIC</small>	36a	Federal income tax withheld from Forms W-2 and 1099.....	36a	
	b	Total NMTIT (Chapter 7) withheld from Forms W-2CM and 1099.....	36b	
	37	2011 estimated tax payments and amount applied from 2010 return.....	37	
	38a	Earned income credit (EIC)	38a	
	b	Nontaxable combat pay election <input style="width: 150px;" type="text"/> 38b		
	39	Additional child tax credit. Attach Form 8812 (see Part F, page 4)	39	
	40	American opportunity credit from Form 8863 line 14. (see Part G, page 4).....	40	
41	Add lines 36a, 36b, 37, and 38a. These are your total payments	41		
Refund	42	If line 41 is more than line 35, subtract line 35 from line 41. This is the amount you OVERPAID before Non-refundable credit and rebate offset.....	42	
	43	Amount of line 42 you want refunded to you	43	
	44	Amount of line 42 you want APPLIED TO YOUR 2012 ESTIMATED TAX . (see Part E.6, page 4)	44	
Amount you Owe	45	Amount you owe. Subtract line 41 from line 35. This is the amount you OWE before the Non-refundable credit and rebate offset (see additional instructions on page 5, Part E of Supplemental Instructions).....	45	
	46	Estimated tax penalty. (see additional instructions on page 4, Part D of Supplemental Instructions).....	46	
Third Party Designee	Do you want to allow another person to discuss this return with the Division of Revenue and Taxation (see page 61)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No			
	Designee's name <input style="width: 200px;" type="text"/>	Phone no. () <input style="width: 40px;" type="text"/>	Personal Identification Number (PIN) <input style="width: 40px;" type="text"/>	<input style="width: 40px;" type="text"/>
Sign Here <small>Keep a copy for your records</small>	Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists 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.			
	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	Print/type preparer's name	Preparer's signature	Date	Check if <input type="checkbox"/> self-employed
	Firm's name			PTIN
	Firm's address			EIN
				Phone no.



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
Annual Wage and Salary and Earnings Tax Return



(Please type or print in ink)

2011

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. _____	IMPORTANT! You must enter SSN(s) above

(See Form 1040A-CM Instructions booklet for supplemental instructions)

PART A WAGE AND SALARY TAX COMPUTATION		A. You	B. Spouse
1	CNMI wages and salaries from Form(s) W-2 and W-2CM1		
2	Other CNMI wages and salaries not included in line 12		
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 tax6		

PART B EARNINGS TAX COMPUTATION		A. You	B. Spouse
1	Interest1		
2	Dividends2		
3	Total income. Add lines 1 and 23		
4	Annual earnings tax4		

PART C TOTAL CHAPTER 2 TAX DUE OR (OVERPAYMENT)		A. You	B. Spouse
1	Wage and salary tax and earnings tax for yourself and spouse1		
2	Education tax credit for yourself and spouse (attach Schedule ETC)2		
3	Tax after education tax credit Subtract line 2 from line 1. If line 2 is more, enter zero3		
4	Combine the wage and salary tax and earnings tax. Add line 3 columns A and B4		
5	Enter total wage and salary tax and earnings tax withheld and paid in 20115		
6	Combined wage and salary tax and earnings tax due or overpaid. Subtract line 5 from line 4. If less than zero place a bracket around the figure6		

COMPLETE FORM OS-3405A BEFORE COMPLETING PART D

PART D CHAPTER 7 TAX AND REBATE OFFSET CALCULATIONS		
1	Chapter 7 tax underpayment after non-refundable credit (amount from Form OS-3405A, line 11)1	
2	Chapter 7 overpayment after non-refundable credit (enter amount from Form OS-3405A, line 10)2	()
3	Rebate offset amount (enter amount from Form OS-3405A, line 12)3	()
4	Chapter 7 liability or (overpayment) after rebate offset amount (add lines 1 through 3) If less than zero place a bracket around the figure ...4	
5	Tax on overpayment of credits5	
6	Estimated tax penalty. Check if Form 2210 is attached. <input type="checkbox"/>6	
7	Total Chapter 7 liability or (overpayment) (add lines 4, 5 and 6)7	

PART E TOTAL DUE OR (OVERPAYMENT)		
1	Amount due or (overpaid), Chapter 2 and Chapter 7 (add lines 6 of part C, and line 4 of part D)1 (If you file by the due date or if this amount is an overpayment, skip lines 2 through 4)	
2	CHAPTER 2	
	(a) _____ (b) Failure to File2b	
	(c) Failure to Pay2c	
	(d) Interest Charge2d	
3	CHAPTER 7	
	(a) _____ (b) Failure to File3b	
	(c) Failure to Pay3c	
	(d) Interest Charge3d	
4	Total penalty and interest charges (add lines 2b, 2c, 2d, 3b, 3c, and 3d)4	
5	Total amount due or (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 2012 ESTIMATED TAX6	
7	Amount from line 5 you want credited to your 2012 Business Gross Revenue Tax. Indicate the month ..7	
8	Net overpayment8	

ATTACH FORM(S) W-2, W-2CM

PART F - Additional Child Tax Credit Computation (attach Form 8812)

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) Form 8812. 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 due, if any, 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	

PART G - Refundable Education Tax Credit - Form 8863, Line 14 (attach Form 8863)

1	Enter the amount from Form 8863, Line 14	1	
2	Enter amount still owed from line 4, Part F above.	2	
3	Education Credit refund. Subtract line 2 from line 1, but not less than zero	3	
4	Amount you still owe after offset of the Education Tax Credit. 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? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No				
	Designee's name	Phone no. ()	Personal Identification Number (PIN)		
Sign Here Keep a copy for your records	Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists 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.				
	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	Print/type preparer's name	Preparer's signature	Date	Check if <input type="checkbox"/> self-employed	PTIN
	Firm's name			EIN	
	Firm's address			Phone no.	



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 (Attach to Form 1040A-CM) (SEE INSTRUCTIONS)

2011

Name, address and SSN	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.	<p align="center">IMPORTANT !</p> <p align="center">You must enter SSN(s) above</p>
	City, town, or post office, state and ZIP code.		

PART A - Non-refundable Credits

1 Wage and salary tax and earnings tax	1
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PART B - Rebate Computation

2 Allocable percentage:	
a Tax without the CNMI 2a _____ %	
b Tax within the CNMI 2b _____ %	
3 Total NMTIT on all sources.....	3 _____
4 Total NMTIT payments made.....	4 _____
5 Tax on sources without CNMI (multiply line 3 by the percentage as shown on line 2a).....	5 _____
6 Tax on sources within CNMI(multiply line 3 by the percentage as shown on line 2b).....	6 _____
7 Total non-refundable credits (enter amount from line 1, part A).....	7 _____
8 Adjusted CNMI source tax (subtract line 7 from line 6. If zero or less, enter -0-)	8 _____
9 Total CNMI and NON-CNMI source tax after non-refundable credits (add lines 5 and 8).....	9 _____
10 NMTIT overpayment if line 4 is greater than line 9, subtract line 9 from line 4. Otherwise enter -0-.....	10 _____
11 NMTIT underpayment if line 9 is greater than line 4, subtract line 4 from line 9. Otherwise, enter -0-.....	11 _____
12 Rebate offset amount Calculate this amount as determined by the rebate base (line 8).....	12 _____

Third Party Designee	Do you want to allow another person to discuss this return with the Division of Revenue and Taxation? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No	
	Designee's name _____	Personal Identification Number (PIN) _____
	Phone no. () _____	

Sign Here Under penalties of perjury. I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists 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 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	Print/type preparer's name	Preparer's signature	Date	Check if <input type="checkbox"/> self-employed	PTIN
	Firm's name				EIN
	Firm's address				Phone no.

DEADLINE: APRIL 17, 2012

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 and earnings tax as shown on line 4, part C, of the Annual Wage and Salary and Earnings Tax Return.

PART B Rebate Computation

- 2a. 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.
- 2b. 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
3. Enter the tax as shown on line 35, page 2 of Form 1040A-CM.
4. Enter the total payments made for the taxable year as shown on line 41, page 2 of Form 1040A-CM.
5. Multiply the amount on line 3 by the percentage of tax without the CNMI as shown on line 2a.
6. Multiply the amount on line 3 by the percentage of tax within the CNMI as shown on line 2b.
7. Enter the total non-refundable credits from line 1, part A.
8. Subtract line 7 from line 6. If zero or less, enter zero.
9. Add lines 5 and 8.
10. If line 4 is greater than line 9, subtract line 9 from line 4, otherwise enter zero.
11. If line 9 is greater than line 4, subtract line 4 from line 9, otherwise, enter zero.
12. Compute the amount on line 8 as shown on the rebate table below.

REBATE TABLE		
If the Rebate Base (line 8) is:	The Rebate Offset Amount is:	Example:
Not over \$20,000	90% of the Rebate Base	Rebate Base x 90%
\$20,000 to \$100,000	\$18,000 plus 70% of Rebate Base over \$20,000	Rebate Base - \$20,000 X 70% plus \$18,000



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
Post Office Box 5234 CHRB, Saipan, MP 96950
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2011 FORM 1040A-CM

Supplemental Instructions Booklet

- **Form 1040A-CM** (Use in conjunction with the 2011 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)
- **Education Tax Credit** (Form 8863)

Form 1040A-CM Supplemental Instructions

Lines 7 through 14b (*Instructions pages 19 thru 26*)

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 19*)

The tax on CNMI sourced interest income is not subject to rebate 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 20*)

The tax on CNMI sourced dividend income is not subject to rebate 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 36a

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 36b.

Line 36b

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 36a.

Line 41

Total payments, add lines 36a, 36b, 37 & 38. Note: Instructions on printed form (not online version) that refer to line 36 imply 36a & 36b.

Line 42

The amount overpaid on this line is subject to adjustment that may result from allowable non-refundable credit. See instructions for part E, line 5.

Line 44

Printed form (not online version) indicates line 45, but should refer to line 42.

Line 45

The amount owed on this line is subject to adjustment that may result from allowable non-refundable credit. See instructions for part E, line 5.

Line 46

Leave this line blank. See instructions for part D, line 6.

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

PART A Wage and Salary Tax Computation (For a joint return, enter spouse information in column B)

1. Enter total wages and salaries received for work performed in the CNMI per Form(s) W-2 and W-2CM box 16.
2. Enter 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, on column B.
3. Add lines 1 and 2 under each column.
4. Enter the amount not subject to the wage and salary tax. This includes CNMI government/agency employee's W-2CM box 12 code G, housing benefits included in line 1 and subject to deduction, etc. Attach explanation otherwise this amount will be disallowed.
5. Subtract line 4 from line 3 under each column. This is your total CNMI wages and salaries subject to the wage and salary tax.
6. Compute the wage and salary tax on the income reported on line 5, separately for columns A and B, 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%			

PART B Earnings Tax Computation (If you are filing a joint return, enter spouse information in column B)

1. Enter the interest income reported on line 8a, column B, page 1 of your income tax return.
2. Enter the dividend income reported on line 9a, column B, page 1 of your income tax return.
3. Add lines 1 and 2 in each column.
4. Compute your earnings tax on the income line 4, separately for columns A and B, using the wage and salary and earnings tax table above.

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

1. Combine the wage and salary tax for yourself (Part A line 6 and Part B line 4) and enter in column A. Combine the wage and salary tax of your spouse (Part A line 6 and Part B line 4) and enter in column B.
2. Enter the amount, if any, of 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 cash contributions not to exceed \$5,000.00 or the aggregate amount of wage and salary tax, earnings tax, and business gross revenue tax liability. If this is a joint return and your spouse made cash contributions to a qualified educational institution, your spouse must enter that information in column B. Attach Schedule ETC. **CAUTION: You must reconcile the educational tax credit claimed in other returns including the amount claimed in line 7 above to determine the maximum amount (\$5,000) allowable.**
3. Subtract line 2 from line 1 in each column. If line 2 is more than line 1, enter zero. This is the tax after educational tax credit.
4. Combine the amount on line 3 Columns A and B. This is your combined wage and salary and earnings taxes.
5. Enter the total wage and salary tax withheld and paid in 2011. Also enter any earnings tax withheld and/or paid in 2011. This tax is also known as Chapter 2 tax.
6. Combined wage and salary and earnings tax due or overpaid. Subtract line 5 from line 4. If zero or less, place parenthesis around the figure to indicate an overpayment.

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 11, part B.
2. Enter amount from Schedule OS-3405A, line 10, part B.
3. Enter amount from Schedule OS-3405A, line 12, part B.
4. Add lines 1 thru 3 of this part. Note that the amount on lines 2 and 3 are negative numbers. If the amount is less than zero, place parenthesis around the figure.
5. Enter the lesser of the amount on line 38a of Form 1040A-CM or the amount on line 2 of this part (ignore the parenthesis).
6. To figure your estimated tax penalty on Form 2210, substitute the tax underpayment amount with the amount shown on line 1 of this part. If Form 2210 is attached, "check" the box. If you want the CNMI Division of Revenue and Taxation to compute this penalty for you, write "REVTAX" on the left side of this line. We will adjust your overpayment or bill you later for this amount.
7. Add lines 4, 5 and 6. This is your total Chapter 7 (NMTIT) liability or overpayment. **NOTE: Line 4 may be a negative number.**

PART E Combined Due or (Overpayment)

1. AMOUNT DUE OR (OVERPAID). Add line 6 of part C and line 4 of part D. Make sure that negative amounts are enclosed by parenthesis.

Note: If the amount on line 1 is an overpayment or you are filing your return by the due date, skip lines 2 through 4.

2(a). Enter the lesser of the amount on line 6 of part C or the amount on line 1 of this part. If zero or less, enter zero.

2(b). Failure to file penalty for Chapter 2 taxes: A penalty of 5% per month or fraction thereof is imposed on the amount due on line 2a up to a 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 Chapter 2 failure to file penalty on this line.

2(c). Failure to pay penalty for Chapter 2 taxes: A penalty of $\frac{1}{2}$ of 1% per month or fraction thereof is imposed on the amount due on line 2a.

2(d). Interest on taxes and penalties (Chapter 2): Interest at prevailing rate compounded daily is imposed on the sum of lines 2a, 2b and 2c. (NOTE: The annual interest rate is subject to change as determined by the commissioner). Enter the total Chapter 2 interest on this line.

3(a). Subtract line 2a from line 1 and enter amount on this line.

3(b). Failure to file penalty for Chapter 7 taxes: A penalty of 5% per month or fraction thereof is imposed of the amount due on line 3a 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 Chapter 7 failure to file penalty on this line.

3(c). Failure to pay penalty for Chapter 7 taxes: A penalty of $\frac{1}{2}$ of 1% per month or fraction thereof is imposed on the amount due line 3a. The aggregate amount shall be limited to a maximum of 25%. Enter the total Chapter 7 failure to pay penalty on this line.

3(d). Interest on Chapter 7 taxes: Interest at prevailing rate compounded daily, is imposed on the sum of lines 2a, 2b and 2c. (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 applicable to Chapter 2 and Chapter 7 taxes.

5. Add lines 1 and 4 of this part, and lines 5 and 6 of part D. If this amount shows a tax due, Make your check payable to: "CNMI Treasurer". This amount supersedes the amount of your refund on line 46 or the amount you owe on line 45 of Form 1040A-CM. If this amount shows an overpayment, place parenthesis around your figure and continue on line 6.

Note: The amount due shown here can be offset against the additional child tax credit in Part F and the Education credit in part G below. Please complete those Parts, if applicable, to determine your net tax due or remaining refund.

6. Enter amount of overpayment on line 5, you want applied to your 2012 ESTIMATED TAX, but not more than the amount on line 5. This amount supersedes the amount on line 46 of Form 1040A-CM.

7. Enter the amount from line 5 (after deduction for line 6) you want credit to your 2012 Business Gross Revenue Tax and indicate the month you want it applied to.

8. Add lines 5, 6 and 7. This is the net combined overpayment (refund and rebate) that is due 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 **but not more** than the amount on line 1. 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. Subtract line 2 from line 1. This is your ACTC refund after offset.
4. Amount you owe after ACTC offset. If line 2 is less than line 1, enter zero. Otherwise subtract line 2 of this part from line 5, part E, of the Annual Wage and Salary and Earnings Tax Return. This is the amount you still owe after ACTC offset. Pay this amount unless you are claiming Education Tax Credit below.

PART G Education Tax Credit (If filing Form 8863, otherwise skip this part)

1. Enter the amount of your Education Tax Credit from Form 8863, line 14. Attach Form 8863 to this return.
2. Enter the tax still owed as shown on line 4, part F above if you are claiming additional child tax credit, otherwise enter the amount on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return. The amount entered should not be more than the amount on line 1. If you enter the amount as requested, you are authorizing an offset of your tax due on this return against your Education Tax Credit. If you do not authorize an offset of your tax due, you must pay the amount shown on line 4, Part F above or the amount on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return, whichever balance is applicable.
3. Subtract line 2 from line 1. This is your Education Tax Credit refund after offset.
4. Amount you owe after Education Tax Credit offset. If line 2 is less than line 1, enter zero. Otherwise subtract line 2 of this part from line 4 of part F (if applicable) or line 5 part E, of the Annual Wage and Salary and Earnings Tax Return. This is the remaining amount still owed after Education Tax Credit offset. Pay this amount.

Filing and Deadline

If filing in person deliver return to any Revenue and Tax Offices:

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 CHR
SAIPAN, MP 96950

Filing Deadline: **April 17, 2012**