



**DIVISION OF REVENUE AND TAXATION**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



**CORPORATE INCOME TAX RETURN**

For calendar year 2011 or tax year beginning \_\_\_\_\_, 2011, ending \_\_\_\_\_, 20\_\_

Form **1120-CM**

**2011**

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

		A. WITHOUT	B. WITHIN	C. TOTAL
<b>Income</b>	<b>1 a</b> Merchant card and third-party payment (see instr.) <b>1a</b>			
	<b>b</b> Gross receipts or sales reported on line 1a (see instr.) <b>1b</b>			
	<b>c</b> Total. Add lines 1a and 1b <b>1c</b>			
	<b>d</b> Returns and allowances plus any other adjustments (see instr.) <b>1d</b>			
	<b>e</b> Subtract line 1d from line 1c <b>1e</b>			
	<b>2</b> Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A) <b>2</b>			
	<b>3</b> Gross profit. Subtract line 2 from line 1e <b>3</b>			
	<b>4</b> Dividends (Schedule C, line 19) <b>4</b>			
	<b>5</b> Interest <b>5</b>			
	<b>6</b> Gross rents <b>6</b>			
	<b>7</b> Gross royalties <b>7</b>			
<b>8</b> Capital gain net income (attach Schedule D (Form 1120)) <b>8</b>				
<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797). <b>9</b>				
<b>10</b> Other income (see instructions - attach schedule) <b>10</b>				
<b>11</b> Total income. Add lines 3 through 10 <b>11</b>				
<b>Deductions</b> (See instructions for limitations on deductions.)	<b>12</b> Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E) <b>12</b>			
	<b>13</b> Salaries and wages (less employment credits) <b>13</b>			
	<b>14</b> Repairs and maintenance <b>14</b>			
	<b>15</b> Bad debts <b>15</b>			
	<b>16</b> Rents <b>16</b>			
	<b>17</b> Taxes and licenses <b>17</b>			
	<b>18</b> Interest <b>18</b>			
	<b>19</b> Charitable contributions <b>19</b>			
	<b>20</b> Depreciation from Form 4562 not claimed on Form 1125A or elsewhere on return (attach Form 4562) <b>20</b>			
	<b>21</b> Depletion <b>21</b>			
	<b>22</b> Advertising <b>22</b>			
	<b>23</b> Pension, profit-sharing, etc., plans <b>23</b>			
	<b>24</b> Employee benefit programs <b>24</b>			
	<b>25</b> Domestic production activities deduction (attach Form 8903) <b>25</b>			
	<b>26</b> Other deductions (attach schedule) <b>26</b>			
	<b>27</b> Total deductions. Add lines 12 through 26 <b>27</b>			
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 <b>28</b>			
	<b>28 a</b> Allocable percentage <b>28a</b>	%	%	100 %
<b>29 a</b> Net operating loss deduction (see instructions) <b>29a</b>				
<b>b</b> Special deductions (Schedule C, line 20) <b>29b</b>				
<b>29c</b>				

<b>Tax, Refundable Credits and Payments</b>	<b>30</b> Taxable income. Subtract line 29c from line 28 column C (see instructions) <b>30</b>		
	<b>31</b> Total tax (Schedule J, line 11) <b>31</b>		
	<b>32</b> Total payments & refundable credits (schedule J, part II, line 21) <b>32</b>		
	<b>33</b> Estimated tax penalty (see instructions for Part A line 6). <b>33</b>		
	<b>34</b> Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed <b>34</b>		
	<b>35</b> Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid <b>35</b>		
<b>36</b> Enter amount from line 35 you want: Credited to 2012 estimated tax (see line 8, part A, page 2) <b>36</b>			

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 _____ Date _____	May the Division of Revenue and Taxation discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
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Paid Preparer's Use Only	Preparer's signature _____ Firm's name (or yours if self-employed), address, and ZIP code _____	Date _____	Check if self-employed <input type="checkbox"/>	PTIN _____	EIN _____ Phone No. ( ) _____
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**Part A Chapter 7 Tax Adjustment.** Complete the entire Form 1120CM before completing this part. (See supplemental of instructions.)

<b>1 Tax underpaid before rebate offset.</b> Enter amount from line 14 of Form OS-3405A . . . . .	<b>1</b>		
<b>2 Tax overpaid before rebate offset.</b> Enter amount from line 13 of Form OS-3405A . . . . .	<b>2</b>	(	)
<b>3 Rebate offset amount.</b> Enter the amount from line 15 of Form OS-3405A . . . . .	<b>3</b>	(	)
<b>4 Tax due or (overpaid).</b> Combine lines 1, 2, and 3. If overpaid place a bracket. . . . .	<b>4</b>		
<b>5 Tax on overpayment of credit.</b> If line 2 above is zero, enter zero. Otherwise, enter the lesser of line 2 above or line 20 of part II, Schedule J on page 3 of Form 1120CM. . . . .	<b>5</b>		
<b>6 Late charges.</b> Enter all applicable late charges here. Also include estimated tax penalty. (see supplemental instructions). Check if Form 2220 is attached <input type="checkbox"/> . . . . .	<b>6</b>		
<b>7 Total due (or overpaid).</b> Add lines 1 through 6 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 8, 9 and 10 . . . . .	<b>7</b>		
<b>8</b> Enter amount you want credited to your <b>2012 ESTIMATED TAX</b> . . . . .	<b>8</b>		
<b>9</b> Enter amount you want credited to your <b>2012 BUSINESS GROSS REVENUE TAX</b> . . . . .	<b>9</b>		
<b>10 Net overpayment.</b> Subtract the total of lines 8 and 9 from line 7 . . . . .	<b>10</b>		

**Schedule C Dividends and Special Deductions** (See instructions)

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

**Schedule J Tax Computation and Payments (see instructions)**

**Part I - Tax Computation**

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	Credit from Form 8834, line 30 (attach Form 8834) . . . . .		5b		
c	General business credit (attach Form 3800) . . . . .		5c		
d	Credit for prior year minimum tax (attach Form 8827) . . . . .		5d		
e	Bond credits from Form 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		
9a	Recapture of investment credit (attach Form 4255) . . . . .		9a		
b	Recapture of low-income housing credit (attach Form 8611) . . . . .		9b		
c	Interest due under the look-back method—completed long-term contracts (attach Form 8697) . . . . .		9c		
d	Interest due under the look-back method—income forecast method (attach Form 8866) . . . . .		9d		
e	Alternative tax on qualifying shipping activities (attach Form 8902) . . . . .		9e		
f	Other (see instructions—attach schedule) . . . . .		9f		
10	Total. Add lines 9a through 9f . . . . .		10		
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31 . . . . .		11		

**Part II - Payments and Refundable Credits**

12	2010 overpayment credited to 2011 . . . . .		12		
13	2011 estimated tax payments . . . . .		13		
14	2011 refund applied for on Form 4466 . . . . .		14	(	)
15	Combine lines 12, 13, and 14 . . . . .		15		
16	Tax deposited with Form 7004 . . . . .		16		
17	Withholding (see instructions) . . . . .		17		
18	<b>Total payments.</b> Add lines 15, 16, and 17 . . . . .		18		
19	Refundable credits from:				
a	Form 2439 . . . . .		19a		
b	Form 4136 . . . . .		19b		
c	Form 3800, line 17c and Form 8827, line 8c . . . . .		19c		
d	Other (attach schedule—see instructions) . . . . .		19d		
20	Total credits. Add lines 19a through 19d . . . . .		20		
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32 . . . . .		21		

**Schedule K Other information (see instructions)**

1	Check method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) <input type="checkbox"/> _____	YES	NO
2	See the instructions and enter the:		
a	Business activity code no. <input type="checkbox"/> _____		
b	Business activity <input type="checkbox"/> _____		
c	Product or service <input type="checkbox"/> _____		
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 <input type="checkbox"/> _____		
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

**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, an interest of 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) below.

YES	NO

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum 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.

**7** At any time 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:  
**(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 1c 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 of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ \_\_\_\_\_

**14** Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? . . . . .  
 If "Yes," complete and attach Schedule UTP.

**15a** Did the corporation make payments in 2011 that would require it to file Form(s) 1099 (see instructions) . . . . .  
**b** If "Yes," did or will the corporation file all required Forms 1099? . . . . .

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
				(a)	(b)	(c)	(d)
<b>Assets</b>							
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					
<b>Liabilities and Shareholders' Equity</b>							
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): Tax-exempt interest \$ _____	7	
2	NMTIT per books . . . . .	2						
3	Excess of capital losses over capital gains . . . . .	3						
4	Income subject to tax not recorded on books this year (itemize): _____	4						
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation . . . . \$ _____ b Charitable contributions \$ _____ c Travel and entertainment \$ _____	5						
6	Add lines 1 through 5 . . . . .	6						
					8	Deductions on this return not charged against book income this year (itemize): a Depreciation . . . . \$ _____ b Charitable contributions \$ _____	8	
					9	Add lines 7 and 8 . . . . .	9	
					10	Income (page 1, line 28) - line 6 less line 9 .	10	

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

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

# 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)

2011

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 on line 5a) . . . . . 8

9 Tax on sources within the CNMI (multiply line 6 by the percentage 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 3, 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 9, Part A, page 2. The total credit allocation shall be equal to the amount on line 9, Part A, page 2.

TIN			
TAX TYPE	3105G	3105AF	3105MW
AMOUNT			

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
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**PAID PREPARER'S USE ONLY**

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

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

## 2011 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 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 32.
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 offset amount.

REBATE TABLE		
IF REBATE OFFSET BASE (line 11) 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 A, page 2.

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