



DIVISION OF REVENUE AND TAXATION

Department of Finance
Commonwealth of the Northern Mariana Islands
CORPORATE INCOME TAX RETURN



For calendar year 2012 or tax year beginning _____, 2012, ending _____, 20__

Form 1120-CM

2012

Header section containing identification information: Name, Employer identification number, Date incorporated, Total assets, and checkboxes for return type (Initial, Final, Name change, Address change).

Table for 'Income' with columns: Source of Income and Deductions, A. WITHOUT, B. WITHIN, C. TOTAL. Rows include Gross receipts, Cost of goods sold, Dividends, Interest, Rents, Royalties, Capital gain, and Total income.

Table for 'Deductions' with columns: Source of Income and Deductions, A. WITHOUT, B. WITHIN, C. TOTAL. Rows include Compensation of officers, Salaries and wages, Repairs and maintenance, Bad debts, Rents, Taxes and licenses, Interest, Charitable contributions, Depreciation, Depletion, Advertising, Pension, Employee benefit program, Domestic production activities deduction, Other deductions, and Total deductions.

Table for 'Tax, Refundable Credits and Payments' with columns: Source of Income and Deductions, A. WITHOUT, B. WITHIN, C. TOTAL. Rows include Taxable Income, Total tax, Total payments & refundable credits, Estimated tax penalty, Amount owed, Overpayment, and Enter amount from line 35.

Declaration section: 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.

Preparer information section: Preparer's name and signature, Date, Title, Check if self-employed, PTIN, Firm's name, address, and ZIP code, EIN, Phone No.

Part A Chapter 7 Tax Adjustment. Complete the entire Form 1120CM before completing this part. (See supplemental of instructions.)

1 Tax underpaid before rebate offset. Enter amount from FORM OS-3405A, Line 14	1		
2 Tax overpaid before rebate offset. Enter amount from FORM OS-3405A, Line 13	2	()
3 Rebate offset amount. Enter amount from FORM OS-3405A, Line 15	3	()
4 Tax due or (overpaid). Combine lines 1, 2, and 3. If overpaid place a bracket.	4		
5 Tax on overpayment of credit. If line 2 above is zero, enter zero. Otherwise, enter the lesser of line 2 above or page 3, Schedule J, Part II, line 20.	5		
6 Late charges. Enter all applicable late charges here. Also include estimated tax penalty. (see supplemental instructions). Check if Form 2220 is attached <input type="checkbox"/>	6		
7 Total due (or overpaid). Add lines 1 through 6 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 8, 9 and 10	7		
8 Enter amount you want credited to your 2013 ESTIMATED TAX	8		
9 Enter amount you want credited to your 2013 BUSINESS GROSS REVENUE TAX Indicate Month ► <input type="text"/>	9		
10 Net overpayment. Subtract the total of lines 8 and 9 from line 7	10		

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 FSCs	6		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs	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 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	2011 overpayment credited to 2012		12		
13	2012 estimated tax payments		13		
14	2012 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	Total payments. Add lines 15, 16, and 17		18		
19	Refundable credits from:				
a	Form 2439		19a		
b	Form 4136		19b		
c	Form 8827, line 8c		19c		
d	Other (attach statement—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 accounting method: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	YES	NO
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 the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		

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 statement)	6					
7	Loans to shareholders	7					
8	Mortgage and real estate loans	8					
9	Other investments (attach statement)	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 statement)	14					
15	Total assets	15					
Liabilities and Shareholders' Equity							
16	Accounts payable	16					
17	Mortgages, notes, bonds payable in less than 1 year	17					
18	Other current liabilities (attach statement)	18					
19	Loans from shareholders	19					
20	Mortgages, notes, bonds payable in 1 year or more	20					
21	Other liabilities (attach statement)	21					
22	Capital stock: a Preferred stock	22a					
	b Common stock	22b					
23	Additional paid-in capital	23					
24	Retained earnings - Appropriated (attach statement)	24					
25	Retained earnings - Unappropriated	25					
26	Adjustments to shareholders' equity (attach statement)	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				8	Deductions on this return not charged against book income this year (itemize): a Depreciation \$ _____ b Charitable contributions \$ _____	8	
6	Add lines 1 through 5	6				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
 Department of Finance
 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)

2012

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 PART A, line 4 above)		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 Form 1120CM, page 2, Part A, line 3.)		15		

PART C - Business Gross Revenue Tax Credit Allocation

Enter the TIN and amount you want credited from Part A, line 9, page 2. The total credit allocation shall be equal to the amount on page 2, Part A, line 9.

TIN

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 _____

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.

2012 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 rebate offset amount on line 11 as shown on the rebate table below. Enter this amount on Form 1120CM, page 2, Part A, line 3 (chapter 7 tax adjustment).

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 the Taxpayer Identification Number (TIN) and amount to be allocated. The total credit allocation shall be equal to the amount on page 2, Part A, line 9.

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



DIVISION OF REVENUE AND TAXATION

Department of Finance

Commonwealth of the Northern Mariana Islands

2012 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 = line 28a, column A divided by Line 28, column C

Percentage Allocation for line 28a, column B

Line 28, column B percentage allocation = 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 36

Leave this line 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 8, Part A.

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

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.

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. Note: Figure is in brackets.
3. Enter the amount from line 15 of Form OS-3405A. Note: figure is in brackets..
4. Enter the sum of lines 1 through 3 above. Note that lines 2 and 3 are negative numbers. If the result is a negative number, enclose the result in brackets
5. Enter the lesser of line 13 of line 2 above or Form 1120, page 3, Schedule J, line 20. If zero or less, enter -0-
6. Enter all applicable late charges here, based on the underpaid tax. Also, include the estimated tax penalty. For purposes of late charges, the underpaid tax is the amount shown on line 14 of Form OS-3405A. For purposes of the estimated tax penalty, the current year tax is the amount shown on line 12 of form OS-3405A as compared to total payments as show on line 7 of Form OS-3405A.
7. 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.
8. If line 7 is an overpayment, enter amount you want credited to 2013 **ESTIMATED TAX**. This line supersedes line 36, page 1 of the return.
9. **Enter remaining overpayment from line 6 you want credited to your 2013 BUSINESS GROSS REVENUE TAX. Indicate the month to which the credit applies.**
10. **Net overpayment.** Subtract lines 8 and 9 from line 7.