



DIVISION OF REVENUE AND TAXATION

Department of Finance

Commonwealth of the Northern Mariana Islands

CNMI Income Tax Return of a Foreign Corporation



Form 1120F-CM For calendar year 2013, or tax year beginning _____, 2013, and ending _____, 2013

See separate instructions.

Name, Employer identification number, Check box(es) if: Initial return, Name or address change, First post-merger return, Schedule M-3 attached, Final return, Amended return, Protective return

A Country of incorporation, B Foreign country under whose laws the income reported on this return is also subject to tax, C Date incorporated, D (1) Location of corporation's primary books and records, (2) Principal location of worldwide business, (3) If the corporation maintains an office or place of business in the CNMI, check here, E If the corporation had an agent in the CNMI at any time during the tax year, enter: (1) Type of agent, (2) Name, (3) Address, F See instructions and enter the corporation's principal: (1) Business activity code number, (2) Business activity, (3) Product or service, G Check method of accounting: (1) Cash, (2) Accrual, (3) Other (specify), H Did the corporation's method of accounting change from the preceding tax year?, I Did the corporation's method of determining income change from the preceding tax year?, J Did the corporation file a CNMI income tax return for the preceding tax year?, K (1) At any time during the tax year, was the corporation engaged in a trade or business in the CNMI?, (2) If "Yes," is taxpayer's trade or business within the CNMI solely the result of a section 897 (FIRPTA) sale or disposition?, L Did the corporation have a permanent establishment in the CNMI for purposes of any applicable tax treaty between the United States and a foreign country?, M 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

Computation of Tax Due or Overpayment

Table with 9 columns for tax computation: 1 Tax from section 1, line 11, Page 2; 2 Tax from Section II, Schedule J, line 9, page 4; 3 Tax from Section III (add lines 6 and 10 on page 5); 4 Total tax. Add lines 1 through 3; 5a 2012 overpayment credited to 2013; 5b 2013 estimated tax payments; 5c Less 2013 refund applied for on Form 4466; 5d Combine lines 5a through 5c; 5e Tax deposited with Form 7004; 5f Credit for tax paid on undistributed capital gains (attach Form 2439); 5g Credit for federal tax paid on fuels (attach Form 4136). See instructions; 5h Refundable credits from Form 8827, line 8c; 5i 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)); 5j Total payments. Add lines 5d through 5i; 6 Estimated tax penalty (see instructions). Check if Form 2220 is attached; 7 Amount owed. If line 5j is smaller than the total of lines 4 and 6, enter amount owed; 8a Overpayment. If line 5j is larger than the total of lines 4 and 6, enter amount overpaid; 8b Amount of overpayment on line 8a resulting from tax deducted and withheld under Chapter 3 (from schedule w, line 7, page 7); 9 Enter portion of line 8 you want Credited to 2014 estimated tax; Refunded

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)? Yes No

Paid Preparer's Use Only, Preparer's name, Preparer's Signature, Date, Check if self-employed, PTIN, Firm's name, Firm's address, EIN, Phone no.

Additional Information (continued from page 1)

N Is the corporation a controlled foreign corporation? (See section 957(a) for definition)	Yes	No		V 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 statement showing the name and identifying number. (Do not include any information already entered in item T .) Enter percentage owned ▶ _____	Yes	No
O Is the corporation a personal service corporation? (See instructions for definition)						
P Enter tax-exempt interest received or accrued during the tax year (see instructions) ▶ \$ _____				W 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. Note: Failure to disclose a treaty-based return position may result in a \$10,000 penalty (see section 6712).		
Q 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 statement 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.						
R If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ <input type="checkbox"/>				X 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.		
S Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 30a, page 3 ▶ \$ _____						
T Is the corporation a subsidiary in a parent-subsidiary controlled group? If "Yes," enter the parent corporation's: (1) EIN ▶ _____ (2) Name ▶ _____				Y (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.		
U (1) Is the corporation a dealer under section 475? (2) Did the corporation mark to market any securities or commodities other than in a dealer capacity?						
				Z (1) Has the corporation engaged in any transaction the results of which are subject to the arm's length standard under section 482 and its regulations? (2) Has the corporation recognized any interbranch amounts? If "Yes," attach statement (see instructions)		
				AA Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? If "Yes," complete and attach Schedule UTP.		

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.

Report all gross transportation income subject to 4% tax on line 9. Report other column (a) income items only if not properly withheld and reported on Form 1042-S. The rate of tax on these gross income items is 30% 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 statement 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
1 Interest				
2 Dividends				
3 Rents				
4 Royalties				
5 Annuities				
6 Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting statement)				
7 Gains from sale or exchange of patents, copyrights, etc.				
8 Fiduciary distributions (attach supporting statement)				
9 Gross transportation income (see instructions)		4		
10 Other fixed or determinable annual or periodic gains, profits, and income. _____ _____				
11 Total. Enter here and on page 1, line 1				
12 Total. Enter here and include on line 5i, page 1 ▶				
13 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 statement 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.

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal	▶	1c			
	2	Cost of goods sold (attach Form 1125-A)								2			
	3	Gross profit (subtract line 2 from line 1c)								3			
	4	Dividends (Schedule C, line 14)								4			
	5	Interest								5			
	6	Gross rents								6			
	7	Gross royalties								7			
	8	Capital gain net income (attach Schedule D (Form 1120))								8			
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)								9			
	10	Other income (see instructions—attach statement)								10			
	11	Total income. Add lines 3 through 10								▶	11		
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (see instructions—attach Form 1125-E)								12			
	13	Salaries and wages (less employment credits)								13			
	14	Repairs and maintenance								14			
	15	Bad debts (for bad debts over \$500,000, attach a list of debtors and amounts)								15			
	16	Rents								16			
	17	Taxes and licenses								17			
	18	Interest expense from Schedule I, line 2 (see instructions)								18			
	19	Charitable contribution								19			
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)								20			
	21	Depletion								21			
	22	Advertising								22			
	23	Pension, profit-sharing, etc., plans								23			
	24	Employee benefit programs								24			
	25	Domestic production activities deduction (attach Form 8903)								25			
	26	Deductions allocated and apportioned to ECI from Schedule H, line 20 (see instructions)								26			
	27	Other deductions (attach schedule)								27			
	28	Total deductions. Add lines 12 through 27								▶	28		
	29	Taxable income before NOL deduction and special deductions (subtract line 28 from line 11)								▶	29		
	30	Less:	a	Net operating loss deduction (see instructions)			30a				30c		
b			Special deductions (Schedule C, line 15)			30b							
c			Add lines 30a and 30b										
31	Taxable income or (loss). Subtract line 30c from line 29									31			

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

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

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

SECTION III—Branch Profits Tax and Tax on Excess Interest

Part I—Branch Profits Tax (see instructions)

1	Enter the amount from Section II, line 29	1		
2	Enter total adjustments to line 1 to get effectively connected earnings and profits. (Attach required statement showing the nature and amount of adjustments.) (See instructions.)	2		
3	Effectively connected earnings and profits. Combine line 1 and line 2	3		
4a	Enter CNMI net equity at the end of the current tax year. (Attach required statement)	4a		
4b	Enter CNMI net equity at the end of the prior tax year. (Attach required statement)	4b		
4c	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	4c		
4d	Decrease in CNMI net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b	4d		
4e	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	4e		
5	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	5		
6	Branch profits tax. 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 page 1, line 3 (see instructions) Also complete item W on page 2	6		

Part II—Tax on Excess Interest (see instructions for this Part and for Schedule I Form 1120F)

7a	Enter the interest from Section II, line 18	7a		
7b	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)	7b		
7c	Combine lines 7a and 7b (amount must equal Schedule I, line 23)	7c		
8	Branch Interest (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"/>	8		
9a	Excess interest. Subtract line 8 from line 7c. If zero or less, enter -0-	9a		
9b	If the foreign corporation is a bank, enter the excess interest treated as interest on deposits. (see instructions for rules for computing this amount). Otherwise, enter zero.	9b		
9c	Subtract line 9b from line 9a	9c		
10	Tax on excess interest. Multiply line 9c by 30% or lower treaty rate (if the corporation is a qualified resident otherwise qualifies for treaty benefits). Enter here and include on page 1, line 3 (see instructions) Also complete item W on page 2	10		

Part III—Additional Information

		Yes	No
11	Is the corporation claiming a reduction in, or exemption from, the branch profits tax due to:		
a	A complete termination of all CNMI trade or businesses?		
b	The tax-free liquidation or reorganization of a foreign corporation?		
c	The tax-free incorporation of a CNMI trade or business?		
If 11a or 11b applies and the transferee is a domestic corporation, attach Form 8848. If 11c 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)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	CNMI government obligations				
5	Tax-exempt securities (see instructions)				
6a	Interbranch current assets*				
b	Other current non-CNMI assets				
c	Other current CNMI assets				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9a	Other loans and investments—non-CNMI assets*				
b	Other loans and investments—CNMI assets*				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Assets held in trust				
15	Other non-current interbranch assets*				
16a	Other non-current non-CNMI assets*				
b	Other non-current CNMI assets				
17	Total assets				
Liabilities					
18	Accounts payable				
19	Mortgages, notes, bonds payable in less than 1 year:				
a	Interbranch liabilities*				
b	Third-party liabilities*				
20	Other current liabilities*				
21	Loans from shareholders				
22	Mortgages, notes, bonds payable in 1 year or more:				
a	Interbranch liabilities*				
b	Third-party liabilities*				
23	Liabilities held in trust				
24a	Other interbranch liabilities*				
b	Other third-party liabilities*				
Equity					
25	Capital stock: a Preferred stock				
	b Common stock				
26	Additional paid-in capital				
27	Retained earnings—Appropriated*				
28	Retained earnings—Unappropriated				
29	Adjustments to shareholders' equity*				
30	Less cost of treasury stock	()		()	
31	Total liabilities and shareholders' equity				

*Attach schedule—See instructions.

Schedule W		Overpayment Resulting From Tax Deducted and Withheld Under Chapter 3			
1	Total Chapter 3 payments. Enter the amount from page 1, line 5i			1	
2	Enter the tax amount from page 1, line 1	2			
3	Enter the portion of the tax amount shown on page 1, line 2 pertaining to income associated with amounts deducted and withheld under sections 1445 and 1446 (see instructions for general guidelines)	3			
4	Total Chapter 3 tax. Combine lines 2 and 3			4	
5	Tentative overpayment resulting from tax deducted and withheld under Chapter 3. Subtract line 4 from line 1			5	
6	Enter the amount from page 1, line 8a			6	
7	Overpayment resulting from tax deducted and withheld under Chapter 3. Enter the smaller of line 5 or line 6. Enter the result here and on page 1, line 8b			7	



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 1120F-CM (See instructions on reverse side)

2013

Form header with fields: Please type or print in ink, Corporate Name, Mailing Address, Telephone number, TIN, Contact person

PART A - NON-REFUNDABLE CREDITS

1 Business gross revenue tax

Table with columns: Name, Tax ID No. and rows a), b), 2, 3, 4

PART B - REBATE COMPUTATION

Table with rows 5 through 11 for rebate computation

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

Table with rows 1 through 9 for tax adjustment

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.

PAID PREPARER'S USE ONLY section with fields for name, signature, date, EIN, and address

FOR OFFICIAL USE ONLY table with columns: DATE PAID, AMOUNT PAID, RECEIPT NO., VERIFIED BY, POSTED BY

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

2013 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 part A, line 4 above.
8. Rebate offset base. Subtract line 7 from line 5. 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 **Rebate offset amount.** Enter the amount from line 11 above
- 4a **Enter the estimated tax penalty. Make sure to check the checkbox if Form 2220 is attached.**
- 4b **Enter the total amount of late charges for failure to file on time, failure to pay on time, and interest.**
- 5 **Tax on overpayment of credit.** Enter the lesser of line 2 (ignore bracket) of this Part or the total of lines 5g and 5h as shown on Form 1120F-CM, page 1. 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 2013 estimated tax.
- 8 **If line 6 is an overpayment, enter amount you want credited to your 2013 BUSINESS GROSS REVENUE TAX. Indicate the month to be credited.**
- 9 **Net overpayment.** Add lines 6, 7, and 8

REBATE TABLE		
IF REBATE OFFSET BASE (line 8) 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 D. 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 line8, Part C.

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