



DIVISION OF REVENUE AND TAXATION

Department of Finance

Commonwealth of the Northern Mariana Islands

TERRITORIAL INDIVIDUAL INCOME TAX RETURN



Form 1040CM

2014

For official use only. See separate instructions. Your social security number. Spouse's social security number. IMPORTANT: Make sure the SSN(s) above and on line 6c are correct.

For the year Jan. 1 - Dec. 31, 2014, ending , 20. Your first name and initial. Last name. If a joint return, spouse's first name and initial. Last name. Home address (number and street). Apt. No. City, town or post office, state, and Zip code. Foreign country name. Foreign province/state/county. Foreign postal code.

Filing Status. 1 Single. 2 Married filing jointly. 3 Married filing separately. 4 Head of household. 5 Qualifying widow(er).

Exemptions. 6a Yourself. 6b Spouse. c Dependents: (1) First name, Last name, (2) Social security number, (3) Relationship, (4) Child under 17. d Total number of exemptions claimed.

SOURCE OF INCOME

Table with columns: Income, A. INCOME WITHOUT, B. INCOME WITHIN, C. TOTAL INCOME. Rows 7-22b detailing various income sources like wages, interest, dividends, etc.

Adjusted Gross Income section. Rows 23-37 detailing deductions like educator expenses, health savings account, moving expenses, etc.

Form 1040CM (2014)

Tax and Credits

38 Amount from line 37 (adjusted gross income) **38**

39a Check if: You were born before January 2, 1950 Blind. } Total boxes
 Spouse was born before January 2, 1950 Blind. } checked **39a**

b If your spouse itemizes on a separate return or you were a dual-status alien, check here **39b**

40 **Itemized deductions** (from Schedule A) or your **standard deduction** (see left margin). **40**

41 Subtract line 40 from line 38 **41**

42 **Exemptions.** If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions. **42**

43 **Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43**

44 **Tax** (see instructions). Check if any from: **a** Form(s) 8814 **b** Form 4972 **c** **44**

45 **Alternative minimum tax** (see instructions). Attach Form 6251 **45**

46 Excess advance premium tax credit repayment. Attach Form 8962 **46**

47 Add lines 44, 45, and 46 **47**

48 Foreign tax credit. Attach Form 1116 if required **48**

49 Credit for child and dependent care expenses. Attach Form 2441 **49**

50 Education credits from Form 8863, line 19 **50**

51 Retirement savings contributions credit. Attach Form 8880 **51**

52 Child tax credit (see instructions). Attach Schedule 8812, if required **52**

53 Residential energy credits. Attach Form 5695 **53**

54 Other credits from Form: **a** 3800 **b** 8801 **c** **54**

55 Add lines 48 through 54. These are your **total credits** **55**

56 Subtract line 55 from line 47. If line 55 is more than line 47, enter zero **56**

Standard Deduction for—

• People who check any box on line 39a or 39b, or who can be claimed as a dependent, see instructions.

• All others:
Single or married filing separately, \$6,200

Married filing jointly or Qualifying widow(er), \$12,400

Head of household, \$9,100

Other Taxes

57 Self-employment tax. Attach Schedule SE (see supplemental instructions) **57**

58 Unreported social security and Medicare tax from Form: **a** 4137 **b** 8919 (see supplemental instructions) **58**

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required. **59**

60a Household employment taxes from Schedule H (see supplemental instructions) **60a**

b First-time homebuyer credit repayment. Attach Form 5405, if required **60b**

61 Health care: Individual responsibility (see instructions) Full-year coverage **61**

62 Taxes from: **a** Form 8959 **b** Form 8960 Instructions; enter code(s) **62**

63 Add lines 56 through 62. This is your **total tax**. **63**

Payments

64a Federal income tax withheld from Forms W-2 and 1099 **64a**

b Total NMTIT (Chapter 7) withheld from Forms W-2CM and 1099 **64b**

65 2014 estimated tax payments and amount applied from 2013 return **65**

66a **Earned income credit**. (EIC) **66a**

b **Nontaxable combat pay election** **66b**

67 Additional child tax credit (see supplemental instructions) **67**

68 American opportunity credit (see supplemental instructions) **68**

69 Net premium tax credit (Attach Form 8962) **69**

70 Amount paid with request for extension to file **70**

71 Excess social security and tier 1 RRTA tax withheld **71**

72 Credit for federal tax on fuels. Attach Form 4136 **72**

73 Credits from Form: **a** 2439 **b** Reserved **c** Reserved **d** **73**

74 Add lines 64a, 64b, 65, 66a, 69, 70, 72, and 73. These are your **total payments** **74**

If you have a qualifying child for line 66a, attach Schedule EIC

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you **OVERPAID** before non-refundable credit **75**

76 Amount of line 75 you want **refunded to you**. If Form 8888 is attached, check here (see supplemental instructions) **76**

77 Amount of line 75 you want **APPLIED TO YOUR 2015 ESTIMATED TAX** (see Part E, line 6, page 4) **77**

Amount you owe

78 Amount you owe. Subtract line 74 from line 63. This is the amount you OWE before the Non-refundable credit and rebate offset (see supplemental instructions) **78**

79 Estimated tax penalty (see supplemental instructions) **79**

Third Party Designee

Do you want to allow another person to discuss this return with the Division of Revenue and Taxation (see instructions)? **Yes**. Complete below **No**

Designee's name Phone No. Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions **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 Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name <input type="checkbox"/>				Firm's EIN
Firm's address <input type="checkbox"/>				Phone no.



DIVISION OF REVENUE AND TAXATION
 Department of Finance
 Commonwealth of the Northern Mariana Islands
ANNUAL WAGE AND SALARY AND EARNINGS TAX RETURN



2014

(Please type or print in ink)

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
City, town, or post office, state and ZIP code	Apt. No	▲ IMPORTANT! ▲ Make sure the SSN(s) above are correct

(See Form 1040CM supplemental instructions booklet)

PART A WAGE AND SALARY TAX COMPUTATION

	A. You	B. Spouse
1. CNMI wages and salaries from Form(s) W-2 and W-2CM	1	
2. Other CNMI wages and salaries not included in line 1	2	
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 tax	6	

PART B EARNINGS TAX COMPUTATION

	A. You	B. Spouse
1. Gain from the sale of personal property	1	
2. One half of the gain from the sale of real property	2	
3. One half of the net income from leasing of real property	3	
4. Interest, dividends, rents, royalties	4	
5a Gross winnings from any gaming, lottery, raffle, etc.	5a	
5b Less amount excludable (attach Form(s) W-2G)	5b	
5c Balance (subtract line 5b from line 5a)	5c	
6. Other income subject to the NMTIT, unless excludable under the earnings tax	6	
7. Total income subject to the earnings tax (add lines 1 thru 4, line 5c, and 6)	7	
8. Annual earnings tax.	8	

PART C CHAPTER 2 COMBINED TAX DUE OR (OVERPAYMENT)

	A. You	B. Spouse
1 Wage and salary tax and earnings tax for yourself and spouse	1	
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 greater, enter zero.	3	
4 Combined wage and salary tax and earnings tax. Add line 3 columns A and B	4	
5 Enter total wage and salary tax and earnings tax withheld and amount paid in 2014	5	
6 Combined wage and salary and earnings tax due or overpaid. Subtract line 5 from line 4. If negative, enclose with parenthesis	6	

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 15)	1	
2 Chapter 7 overpayment after non-refundable credit (amount from Form OS-3405A, line 14)	2	()
3 Rebate offset amount (amount from Form OS-3405A, line 16)	3	()
4 Chapter 7 liability or (overpayment) after rebate offset amount (add lines 1 through 3). If negative, enclose with parenthesis	4	
5 Tax on overpayment of credits (see supplemental instructions)	5	
6 Estimated tax penalty (see supplemental instructions). Check if Form 2210 is attached	6	<input type="checkbox"/>
7 Total Chapter 7 liability or (overpayment) (add lines 4, 5 and 6). If negative, enclose with parenthesis	7	

ATTACH FORM(S) W-2, W-2CM, W-2G AND 1099

PART E. COMBINED 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). If negative, enclose with parenthesis. (if you are filing by the due date or if this amount is an overpayment, skip lines 2 through 4)	
2	CHAPTER 2	(b) Failure to File 2b
(a)		(c) Failure to Pay 2c
		(d) Interest Charge 2d
3	CHAPTER 7	(b) Failure to File 3b
(a)		(c) Failure to Pay 3c
		(d) Interest Charge 3d
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) If negative, place a parenthesis around the figure	5
6	If line 5 is an overpayment, enter amount you want credited to your 2015 estimated tax	6
7	Add lines 5 and 6. This is your Net Overpayment	7

PART F - Additional Child Tax Credit Computation

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) Schedule 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 Schedule 8812. (Attach Schedule 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 American Opportunity Tax Credit

1	Enter the amount from Form 8863, line 8 (attach Form 8863)	1
2	Enter the amount from line 4, Part F above if applicable. Otherwise, enter amount from line 5, Part E, above if this amount is an underpayment	2
3	AOTC refund. Subtract line 2 from line 1, but not less than zero	3
4	Amount you still owe. If line 2 is greater than line 1 Subtract line 1 from line 2, otherwise enter 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	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.			
	Your signature	Date	Your occupation	Daytime phone number ()
Keep a copy for your records	Spouse's signature. If a joint return, BOTH must sign		Date	Spouse's occupation
	Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
Paid Preparer Use Only	Firm's name			Firm's EIN
	Firm's address			Phone no.



DIVISION OF REVENUE AND TAXATION

Department of Finance

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 1040CM)

2014

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! Make sure the SSN(s) above are correct	
City, town, or post office, state and ZIP code				

PART A Non-refundable Credits

1	Wage and salary tax and earnings tax	1									
2	Business gross revenue tax										
	<table border="1"> <thead> <tr> <th>Name</th> <th>Tax ID No.</th> </tr> </thead> <tbody> <tr> <td>a)</td> <td></td> </tr> <tr> <td>b)</td> <td></td> </tr> <tr> <td>c)</td> <td></td> </tr> </tbody> </table>	Name	Tax ID No.	a)		b)		c)			
Name	Tax ID No.										
a)											
b)											
c)											
3	User fees paid	3									
4	Fees and taxes imposed under 4CMC § 2202(h)	4									
5	Total non-refundable credits (add lines 1 through 4)	5									

PART B Rebate Computation

6	Allocable percentage:		
a	Tax without CNMI. (From line 22b, Column A.)	6a	%
b	Tax within CNMI. (From line 22b, Column B)	6b	%
7	Total NMTIT on all sources	7	
8	Total NMTIT payments made	8	
9	Tax on sources without CNMI (multiply line 7 by the percentage on line 6a)	9	
10	Tax on sources within CNMI (multiply line 7 by the percentage on line 6b)	10	
11	Total non-refundable credits (enter amount from line 5 above)	11	
12	Adjusted CNMI source tax (subtract line 11 from line 10. If line 11 is greater, enter zero)	12	
13	Total CNMI and NON-CNMI source tax after non-refundable credits (add lines 9 and 12)	13	
14	NMTIT overpayment (subtract line 13 from line 8. If line 13 is greater, enter zero)	14	
15	Total tax underpaid (subtract line 8 from line 13. If line 8 is greater, enter zero)	15	
16	Rebate offset amount. Calculate this amount as determined by the rebate base (line 12)	16	

Third Party Designee

Do you want to allow another person to discuss this return with the Division of Revenue and Taxation (see instructions)? Yes Complete below. No

Designee's name Phone no. Personal Identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. 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 Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name	Preparer's SSN or PTIN		
	Firm's address	Firm's EIN		
				Phone no ()

Instructions for Form OS-3405A - Computation of Non-Refundable Credit and Application for Rebate on CNMI Source Income Tax 2014

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.
2. Enter the amount of business gross revenue tax paid or accrued during the taxable year under 4 CMC Chapter 3. For partners and/or shareholders of 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 under 4 CMC §1301.
3. Enter the amount of user fees paid during the taxable year under 4 CMC §1421.
4. Enter the amount of fees and taxes paid or accrued during the taxable year under 4 CMC §2202 (h).
5. Add all amounts shown in lines 1 through 4. This is your total non-refundable credit.

PART B REBATE COMPUTATION

- 6a. Enter the percentage (allocable ratio) of tax without the CNMI. This should be the percentage shown on line 22b column A of Form 1040CM.
- 6b. Enter the percentage (allocable ratio) of tax within the CNMI. This should be the percentage shown on line 22b column B of Form 1040CM.
7. Enter the tax as shown on line 63 of Form 1040CM.
8. Enter the total payments made for the taxable year as shown on line 74 of Form 1040CM.
9. Multiply the amount on line 7 by the percentage of tax without the CNMI on line 6a.
10. Multiply the amount on line 7 by the percentage of tax within the CNMI on line 6b.
11. Enter the total non-refundable credits from line 5 above.
12. Subtract line 11 from line 10. If line 11 is greater, enter zero
13. Add lines 9 and 12.
14. Subtract line 13 from line 8. If line 13 is greater, enter zero.
15. Subtract line 8 from line 13. If line 8 is greater, enter zero.
16. Calculate the rebate offset amount as determined by the rebate base (line 12) using the Rebate Table below. Enter the result here.

REBATE TABLE

IF REBATE BASE (line 12) IS:	THE REBATE OFFSET AMOUNT IS:	EXAMPLE:
Not over \$20,000 ▶	90% of the rebate base ▶	Rebate base X 90%
\$20,001-\$100,000 ▶	\$18,000 plus 70% of the rebate base over \$20,000 ▶	Rebate base - \$20,000 X 70% + \$18,000
Over \$100,000 ▶	\$74,000 plus 50% of the rebate base over \$100,000 ▶	Rebate base - \$100,000 X 50% + \$74,000

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
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
Post Office Box 5234 CHRB, Saipan, MP 96950
Tel. (670) 664-1000



2014 FORM 1040CM

Supplemental Instructions Booklet

- **Form 1040CM** (Use in conjunction with the 2014 Form 1040 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** (Schedule 8812)

- **Education Credit** (Form 8863)

Form 1040CM Supplemental Instructions

Lines 7 through 21b (*Instructions pages 20 through 28*)

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 21*)

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 21*)

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 17

If you received CNMI source rental income, royalties or other similar income not in the course of carrying on a business, do not enter the income on this line. Enter such income on line 21b.

Line 21b

If you received CNMI source rental income, royalties or other similar income not in the course of carrying on a business, such 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 rental 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 22a

Total the figures entered in each of the columns (A, B, and C) from lines 7 through 21b.

Line 22b

Make the percentage allocation of your income on line 22a by dividing the total in each column (A and B) by the total in column C.

Example: Percentage allocation for line 22b, column A

$$\frac{\text{Line 22a, column A}}{\text{Line 22a, column C}} = \text{Percentage allocation for line 22b, column A}$$

Percentage allocation for line 22b, column B

$$\frac{\text{Line 22a, column B}}{\text{Line 22a, column C}} = \text{Percentage allocation for line 22b, column B}$$

Line 37 (*Instructions page 37*)

Subtract line 36 from line 22a, column C (total income).

Lines 57, 58, 60a, 61 and Form 8959 on line 62.

These lines do not apply in the CNMI. File/report separately to the U.S. Federal Government or IRS.

Line 64a

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 64b.

Line 64b

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 64a.

Line 67

Claim the additional child tax credit (ACTC) in Part F of this return. Attach Schedule 8812.

Line 68

Claim the American opportunity tax credit (AOTC) in Part G of this return. Attach Form 8863.

Line 75 and 76

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 78

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 79

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

Instructions for Form 1040CM 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 (if Form(s) W-2 and W-2CM) were not issued or received. i.e., tips and freelance income, etc.
3. Add lines 1 and 2 under each column.
4. Enter the amount not subject to the wage and salary tax. Attach explanation otherwise this amount will be disallowed.
5. Subtract line 4 from line 3 under each column. This is the total CNMI wages and salaries subject to the wage and salary tax.
6. Compute the wage and salary tax on the amount reported on line 5 for each column 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 - Income Not Included in the Business Gross Revenue Tax. (If you are filing a joint return, enter spouse information in column B)

1. Enter the amount of any gain from the sale of personal property (not business property).
2. Enter one-half (1/2) of the amount of any gain from the sale of real property located in the CNMI that was not used in the course of carrying on a business. Exclude any gain from the sale of real property sold to the CNMI Government.
3. Enter one-half (1/2) of the net income from leasing of real property located in the CNMI including the assignment of any lease that was not in the course of carrying on a business.
4. With respect to interest and dividends, if you entered such income under column B, lines 8a, and/or 9a, page 1 of Form 1040CM, be sure to also include such income on this line to avoid any discrepancies on your tax return. Otherwise, the rebate on the tax on these incomes will be disallowed. Also include rents, royalties or similar income earned in the CNMI and received by a resident not in the course of carrying on a business.
- 5a. Enter the gross winnings from any gaming, lottery, raffle or other gambling activities in the CNMI.
- 5b. Enter the amount of poker machine jackpot winnings included on line 5a if jackpot tax was withheld. Attach a copy of Form(s) W-2G.
- 5c. Subtract line 5b from line 5a.
6. Enter other income subject to the NMTIT, unless excludable under the earnings tax.
7. Add lines 1 through 4, 5c, and 6.
8. Compute your earnings tax on the amount reported on line 7 for each column using the wage and salary and earnings tax table above.

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

1. Enter in column A, the total of Part A line 6, column A and Part B line 8, column A. Also, enter in column B the total of Part A line 6, column B and Part B line 8, column B.
2. Enter in column A the amount of cash contributions made during the taxable year to a qualified educational institution or other tax exempt educational institution located in the CNMI. If this is a joint return and your spouse made cash contributions to a qualified educational institution, enter that information in column B. Attach Schedule ETC.
CAUTION: The maximum education tax credit allowable for either column 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.
3. Subtract line 2 from line 1 in each column. If line 2 is more than line 1, enter zero. This is the Chapter 2 tax after educational tax credit.

4. Enter the total amount of Columns A and B, line 3. This is your combined wage and salary and earnings taxes.
5. Enter the total wage and salary tax withheld and paid in Box 17 of W-2CM in 2014. Also enter any earnings tax withheld and/or paid in 2014. 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 Form 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 Form OS-3405A, line 15, Part B.
2. Enter amount from Form OS-3405A, line 14, Part B.
3. Enter amount from Form OS-3405A, line 16, Part B.
4. Add lines 1 through 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: (1) The sum of lines 66a, 69, 72 and 73 from Form 1040CM Page 2, OR (2) the amount on line 2, Part D of the Annual Wage and Salary and Earnings Tax Return.
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 ½ 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 ½ of 1% per month or fraction thereof is imposed on the amount due on line 2a. Enter the Chapter 2 failure to pay penalty on this line.
 - 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 ½ 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 ½ of 1% per month or fraction thereof is imposed on the amount due on line 3a. 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 3a, 3b and 3c. (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, **STOP**. Pay this amount unless you are claiming the ACTC and/or AOTC in Part F and G below. Make your check payable to: "CNMI Treasurer". This amount supersedes the amount of your refund on line 75 or the amount you owe on line 78 of Form 1040CM. 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 ACTC in Part F and/or the AOTC 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 2015 ESTIMATED TAX. This amount supersedes the amount on line 77 of Form 1040CM.
7. Add lines 5 and 6. This is the net combined overpayment (refund and rebate) that is due to you.

PART F Additional Child Tax Credit (ACTC) Computation (If you are filing Schedule 8812 otherwise skip this part)

1. Enter the amount of your Additional Child Tax Credit from Schedule 8812, line 13. Attach Schedule 8812 to this return.
2. If line 5, Part E, page 4 is an underpayment, enter the amount on this line. Otherwise enter zero. 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, page 4.
3. If line 1 is greater than line 2, subtract line 2 from line 1. This is your ACTC refund after offset.
4. If line 2 is greater than line 1, subtract line 1 from line 2. This is the amount you still owe after ACTC offset. Pay this amount unless you are claiming AOTC in Part G below.

PART G Refundable American Opportunity Tax Credit (AOTC) (If filing Form 8863, otherwise skip this part.)

1. Enter the amount of your refundable AOTC from Form 8863, line 8. Attach Form 8863 to this return.
2. Enter amount from line 5, Part E, page 4 if this is an underpayment or line 4, Part F above if applicable. Otherwise enter zero. If you enter the amount as requested, you are authorizing an offset of your tax due on this return against your AOTC. 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, Page 4.
3. If line 1 is greater than line 2, subtract line 2 from line 1. This is your AOTC refund after offset.
4. If line 2 is greater than line 1, subtract line 1 from line 2. This is the amount you still owe after AOTC offset. Pay this amount. Otherwise, enter zero.

Filing and Deadline

If filing in person deliver return to any Revenue and Taxation 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 CHRB
SAIPAN, MP 96950

Filing Deadline: April 15, 2015