



# DIVISION OF REVENUE AND TAXATION

Department of Finance

Commonwealth of the Northern Mariana Islands

## TERRITORIAL INDIVIDUAL INCOME TAX RETURN FOR SINGLE AND JOINT FILERS WITH NO DEPENDENTS AND CNMI SOURCE INCOME ONLY



Form

**1040EZ-CM** (Please type or print in ink)

**2014**

FOR OFFICIAL USE ONLY

Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions		Apt. no.
		<b>Make sure the SSN(s) above are correct.</b>

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions)

Foreign country name	Foreign province/state/county	Foreign postal code
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<b>Income</b>  <b>Attach Form(s) W-2CM here.</b>  Enclose, but do not attach, any payment.	1	Wages, salaries, and tips. This should be shown in box 1 of your W-2CM form(s). Attach your W-2CM form(s).	1		
	2	Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ-CM. See page 2 for explanation.	2		
	3	Unemployment compensation and Alaska Permanent Fund dividends. See page 2 for explanation.	3		
	4	Add lines 1, 2, and 3. This is your <b>adjusted gross income</b> .	4		
	5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on page 2. <input type="checkbox"/> <b>You</b> <input type="checkbox"/> <b>Spouse</b>			
		If no one can claim you (or your spouse if a joint return) enter \$10,150 if <b>single</b> ; \$20,300 if <b>married filing jointly</b> . See page 2 for explanation.	5		
	6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your <b>taxable income</b> .	6		
	<b>Payments, Credits, and Tax</b>	7	NMTIT (Chapter 7) income tax withheld from box 2 of your form(s) W-2CM and 1099.	7	
		8a	<b>Earned income credit (EIC)</b> (see instructions).	8a	
		8b	Nontaxable combat pay election.	8b	
		9	Add lines 7 and 8a. These are your <b>total payments and credits</b> .	9	
		10	<b>Tax</b> . Use the amount on <b>line 6 above</b> to find your tax in the table in the instructions. Then, enter the tax from the table on this line.	10	
	11	Health care: individual responsibility (see instructions)      Full-year coverage <input type="checkbox"/>	11		
	12	Add lines 10 and 11. This is your <b>total tax</b> .	12		
<b>Refund</b>	13	If line 9 is larger than line 12, subtract line 12 from line 9. This is your <b>refund before rebate</b> .	13		
<b>Amount you owe</b>	14	If line 12 is larger than line 9, subtract line 9 from line 12. This is the <b>amount you owe before rebate</b> .	14		

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)
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**Sign Here**  
Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See instructions	Your signature	Date	Your occupation	Daytime phone number ( )
Keep a copy for your records.	Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	

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

**Use this form if**

- Your filing status is single or married filing jointly. If you are not sure about your filing status, (see instructions) .
- You (and your spouse if married filing jointly) were under 65 and not blind at the end of 2014. If you were born on January 1, 1950, you are considered to be age 65 at the end of 2014.
- You do not claim any dependents. For information on dependents, see Publication 501 .
- Your taxable income (line 6) is less than \$100,000 .
- You do not claim any adjustments to income. For information on adjustments to income, use the TeleTax topics listed under Adjustments to Income at [www.irs.gov/taxtopics](http://www.irs.gov/taxtopics) (see instructions).
- The only tax credit you can claim is the earned income credit (EiC). The credit may give you a refund even if you do not owe any tax. You do not need a qualifying child to claim the EiC. For information on credits, use the TeleTax topics listed under Tax Credits at [www.irs.gov/taxtopics](http://www.irs.gov/taxtopics) (see instructions). If you received a Form 1098-T or paid higher education expenses, you may be eligible for a tax credit or deduction that you must claim on Form 1040A-CM or Form 1040CM. For more information on tax benefits for education, see Pub. 970.
- You had only CNMI source wages, salaries, tips, taxable scholarship or fellowship grants, AND your total taxable interest was not over:
  - \$1,000 if filing single OR
  - \$1,500 if filing jointly, and neither you nor your spouse individually has interest income in excess of \$1,000.
 If you earned tips, including allocated tips, that were not included in box 5 and box 7 of your W-2CM, you may not be able to use Form 1040EZ-CM (see instructions). If you are planning to use Form 1040EZ-CM for a child who received Alaska Permanent Fund dividends, see instructions.
- Exception to using Form 1040EZ-CM. If you have unemployment compensation or Alaska Permanent Fund dividends, you cannot use this form as such income are generally not CNMI source. Use Form 1040A-CM.

**Filling in your return**

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the instructions before filling the form. Also, see the instructions if you received a Form 1099-INT showing federal income tax or NMTIT withheld or if federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

For tips on how to avoid common mistakes, see Instructions

Remember, you must report all wages, salaries, and tips even if you do not get a Form W-2CM from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, see Pub. 501.

**Worksheet for Line 5- Dependents Who Checked One or Both boxes**

A. Amount, if any, from line 1 on front . . . . .	_____	+	350.00	Enter Total ►	A. _____
B. Minimum standard deduction . . . . .					B. <u>1,000.00</u>
C. Enter the <b>larger</b> of Line A or line B here . . . . .					C. _____
D. Maximum standard deduction. If <b>single</b> , enter \$6,200; if <b>married filing jointly</b> , enter \$12,400					D. _____
E. Enter the <b>smaller</b> of line C or line D here. This is your standard deduction . . . . .					E. _____
F. Exemption amount.					F. _____
• If single, enter -0-				}	
• If married filing jointly and -					
- both you and your spouse can be claimed as dependents, enter -0-.					
- only one of you can be claimed as a dependent, enter \$3,950.					G. _____
G. Add lines E and F. Enter the total here and on line 5 on the front . . . . .					G. _____

(keep a copy for your records)

**If you did not check any boxes on line 5**, enter on line 5 the amount shown below that applies to you.

- Single, enter \$10,150. This is the total of your standard deduction (\$6,200) and your exemption (\$3,950).
- Married filing jointly, enter \$20,300. This is the total of your standard deduction (\$12,400), your exemption (\$3,950), and your spouse's exemption (\$3,950).

**Mailing return** If filing by mail, please send to: Division of Revenue and Taxation  
Post Office Box 5234 CHRB  
Saipan, MP 96950

Deadline: April 15, 2015



# DIVISION OF REVENUE AND TAXATION

Department of Finance

Commonwealth of the Northern Mariana Islands

## ANNUAL WAGE AND SALARY TAX RETURN



# 2014

Form **1040EZ-CM**

(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	
Home address (number and street)		Apt. no.	<b>Make sure the SSN(s) ▲ above are correct</b>	
City, town or post office, state, and ZIP code.				

### PART A WAGE AND SALARY TAX COMPUTATION

#### A. YOURSELF

#### B. SPOUSE

1	CNMI wages and salaries from Form(s) 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 in 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 (see supplemental instruction on page 5)	6		
7	Combined annual wage and salary tax. Add line 6, Columns A and B.	7		
8	Wages and salary tax withheld and/or paid from Form W-2CM.	8		
9	Total wage and salary tax due or (overpaid). Subtract line 8 from line 7. Place brackets if less than zero.	9		

**COMPLETE FORM OS-3405A ON PAGE 4 - COMPUTATION OF NON-REFUNDABLE CREDIT AND APPLICATION FOR REBATE ON CNMI SOURCE TAX BEFORE COMPLETING PART B**

### PART B CHAPTER 7 TAX AND REBATE OFFSET CALCULATIONS

1	Chapter 7 tax underpayment after non-refundable credit. Enter amount from Form OS-3405A, line 5.	1	
2	Chapter 7 tax overpayment after non-refundable credit. Enter amount from Form OS-3405A, line 4.	2	( )
3	Rebate offset amount. Enter amount from Form OS-3405A, line 6.	3	( )
4	Chapter 7 liability or (overpayment) after rebate offset amount. Add lines 1 through 3. Place brackets if less than zero.	4	
5	Tax on overpayment of credits.	5	
6	Estimated tax penalty.	6	
7	Total Chapter 7 liability or (overpayment). Add lines 4, 5 and 6.	7	▶

### PART C COMBINED DUE OR (OVERPAYMENT)

1	Amount due or (overpaid), Chapter 2 and Chapter 7. Add line 9 of Part A and line 4 of Part B. If this amount is an overpayment, skip lines 2 through 4.	1	
2	CHAPTER 2:		
	(a) _____ Enter amount underpaid	2a	
	(b) Failure to file	2b	
	(c) Failure to pay	2c	
3	CHAPTER 7:		
	a) _____ Enter amount underpaid	3a	
	(b) Failure to file	3b	
	(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 B.	5	
6	If line 5 is an overpayment, enter amount you want credited to your <b>2015 ESTIMATED TAX</b>	6	
7	Net overpayment	7	▶ ( )

**Third Party Designee** Do you want to allow another person to discuss this return with the Division of Revenue and Taxation?  **Yes.** Complete the following.  **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, <b>both</b> must sign.		Date	Spouse's occupation

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	check <input type="checkbox"/> if self employed	PTIN
	Firm's name			Firm's EIN	
	Firm's address			Phone no.	



**DIVISION OF REVENUE AND TAXATION**  
**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**COMPUTATION OF NON-REFUNDABLE CREDIT AND**  
**APPLICATION FOR REBATE ON CNMI SOURCE INCOME TAX**



Form **OS-3405A** For Form 1040EZ-CM

**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.	<b>Make sure the SSN(s) ▲ above are correct</b>
City, town or post office, state, and ZIP code		

**PART A - Non-refundable Credits**

Wage and salary tax. Enter amount from line 7, Part A of the Wage and Salary Tax Return. . . . . **1**

**PART B - Rebate Computation**

<b>1</b>	Total NMTIT. Enter amount from line 10 of form 1040EZ-CM. . . . .	<b>1</b>	
<b>2</b>	Total NMTIT payments made. Enter amount from line 9 of form 1040EZ-CM. . . . .	<b>2</b>	
<b>3</b>	<b>Rebate base.</b> Subtract the amount in Part A, from the amount on line 1 of this part. If zero or less, enter -0-	<b>3</b>	
<b>4</b>	NMTIT overpayment (If line 2 is greater than line 3, subtract line 3 from line 2). Otherwise enter -0-.	<b>4</b>	
<b>5</b>	NMTIT underpayment (If line 3 is greater than line 2, subtract line 2 from line 3). Otherwise enter -0-.	<b>5</b>	
<b>6</b>	<b>Rebate offset amount.</b> Calculate this amount as determined by the rebate base (line 3) using the rebate table shown below. . . . .	<b>6</b>	

<b>REBATE TABLE</b>		
IF REBATE BASE (line 3) 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

**Sign Here** Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

<b>Keep a copy for Your Records</b>	Your signature	Date	Your occupation	Daytime phone number ( )
	Spouse's signature. If a joint return, <b>both</b> must sign	Date	Spouse's occupation	

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

**SUPPLEMENTAL INSTRUCTIONS FOR FORM 1040EZ-CM 2014**  
**Annual Wage and Salary Tax, Chapter 7 Tax, and Rebate Offset Calculations**

**PART A WAGE AND SALARY TAX COMPUTATION**

1. Enter total wages and salaries received for work performed in the CNMI per Form(s) W-2CM box 16. (For a joint return, enter spouse in column b.)
2. Enter other wages and salaries received for work performed in the CNMI which Form(s) W-2CM were not issued or received, i.e. tips, freelance income, etc.
3. Add lines 1 and 2 in 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 in each column. This is your total CNMI wages and salaries subject to the wage and salary tax.
6. Compute your wage and salary tax on the amount reported on line 5 (each column) using the wage and salary tax table below.

**WAGE AND SALARY TAX TABLE**

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%			

7. Add the tax on line 6, columns A and 8 and enter on this line.
8. Enter the total Chapter 2 tax withheld as shown in Form(s) W-2CM box 17. Also, add other Chapter 2 wage and salary tax payments made for wages and salaries.
9. Subtract line 8 from line 7. If less than zero, place a bracket around the figure to indicate an overpayment. This is the Chapter 2 wage and salary tax due/overpayment.

**COMPLETE FORM OS-3405A - COMPUTATION OF NON-REFUNDABLE CREDIT AND APPLICATION FOR REBATE ON CNMI SOURCE TAX BEFORE COMPLETING PART B**

**PART B CHAPTER 7 TAX AND REBATE OFFSET CALCULATIONS**

1. Enter amount from line 5 of Form OS-3405A.
2. Enter amount from line 4 of Form OS-3405A.
3. Enter amount from line 6 of Form OS-3405A ..
4. Add amounts on line 1 thru 3 of this part. Note that lines 2 and 3 are negative numbers. If the total on this line is less than zero, place a bracket around the figure.
5. Enter the lesser of the amount on line 5 of Form 1040EZ-CM or the amount on line 2 (ignore bracket).
6. Enter the estimated tax penalty here based on the underpaid tax shown on line 1 of this part.
7. Add lines 4 thru 6. This is your total Chapter 7 (NMTIT) liability or overpayment. If overpayment, place a bracket around the figure.

**PART C COMBINED DUE OR (OVERPAYMENT)**

1. AMOUNT DUE/(OVERPAID). Add line 9 of Part A and line 4 of Part B. Make sure that negative amount are enclosed by parentheses.  
 NOTE: If amount on line 1 is an overpayment, or you are filing your return by the due date, skip lines 2 to 4.
2. (a) Enter the lesser of line 9, Part A or line 1 of this part. However, if line 9 is zero or less, enter zero and continue to line 3.  
 (b) Failure to File Penalty for Chapter 2 taxes: A penalty of 5% of amount due (line 2a) shall be added for every month or fraction thereof, elapsing between the due date of this return until the date it is actually filed, not exceeding 25% in the aggregate. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by 1/2 of 1%. Enter the total Chapter 2 failure to file penalty on this line.  
 (c) Failure to Pay Penalty for Chapter 2 taxes: A penalty of 1/2 of 1% per month, or fraction thereof, of the amount due (line 2a) shall be added for failure to pay taxes. Enter the total Chapter 2 failure to pay penalty on this line.  
 (d) Interest on Chapter 2 taxes: Interest at prevailing rates compounded daily, is imposed on the amount due (line 2a, 2b and 2c). Enter the total Chapter 2 interest on this line. (Note: The annual interest rate is subject to change, as determined by the Commissioner). The applicable interest table is available at the Division of Revenue and Taxation. The Division of Revenue and Taxation can compute the interest charges and bill you on it.
3. (a) If line 1 is a tax due, subtract line 2a from line 1.  
 (b) Failure to File Penalty for Chapter 7 taxes: A penalty of 5% of amount due (line 3a) shall be added for every month or fraction thereof, elapsing between the due date of this return until the date it is actually filed, not exceeding 25% in the aggregate. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by 1/2 of 1%. Enter the total Chapter 7 failure to file penalty on this line.  
 (c) Failure to Pay Penalty for Chapter 7 taxes: A penalty of 1/2 of 1% per month, or fraction thereof, of the amount due (line 3a) shall be added for failure to pay taxes. The aggregate amount shall be limited to a maximum of 25%. Enter the total Chapter 7 failure to pay penalty on this line.  
 (d) Interest on Chapter 7 taxes: Interest at prevailing rates compounded daily, is imposed on the amount due (line 3a, 3b and 3c). Enter the total Chapter 7 interest on this line. (Note: The annual interest rate is subject to change as determined by the Commissioner). The applicable interest table is available at the Division of Revenue and Taxation. The Division of Revenue and Taxation can compute the interest and bill you on it.
4. Add lines 2b, 2c, 2d, 3b, 3c and 3d. This is the total penalty and interest charges applicable to Chapter 7 and Chapter 2 taxes.
5. Add lines 1 and 4 (if any) of this part, and lines 5 and 6 of Part 8. This is the combined due/(overpayment) for Chapter 7 and Chapter 2 tax. If it is an overpayment, place a bracket around your figure.
6. Enter amount of overpayment on line 5 you want applied to your 2015 ESTIMATED TAX.
7. Net overpayment. Add lines 5 and 6. This is the combined overpayment for Chapter 2 and Chapter 7 of your refund/rebate.