



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



Form **1040NMI**

(Please type or print in ink) (See instructions on reverse side)

2014

For official use only

PART A Name, Address and Other Information	First name and middle initial	Last name	U.S. social security number	Citizenship
	Present home address	Mailing address	ZIP code	

PART B Wage and Salary Tax Computation	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 tax table on reverse side)	6		
	7	Education tax credit (attach Schedule ETC)	7		
	8	Wage and salary tax after credit (subtract line 7 from line 6)	8		
	9	Wage and salary tax withheld and/or paid as shown on your Form W-2CM	9		
	10	Total wage and salary tax due or (overpaid). Subtract line 9 from line 8	10		

PART C Earnings Tax Computation	1	Gain from the sale of personal property	1		
	2	One half of the gain from the sale of real property (see instructions)	2		
	3	One half of the net income from leasing of real property	3		
	4a	Gross winnings from any gaming, lottery, raffle, etc.	4a		
	4b	Less amount excludable	4b		
	4c	Balance	4c		
	5	Other income subject to the earnings tax unless excludable under the earnings tax.	5		
	6	Total income subject to earnings tax (add lines 1 thru 3, line 4c, and line 5)	6		
	7	Annual earnings tax (see tax table on reverse side)	7		
8	Education tax credit (attach Schedule ETC)	8			
9	Annual earnings tax after credit. Subtract line 8 from line 7	9			

PART D Combined Due or Overpayment	1	Add line 10 Part B and line 9 Part C. If this combined amount is an overpayment, place a bracket to indicate an overpayment	1		
	2	PENALTY CHARGE. (If return is filed and paid after the deadline, complete these lines)			
		(2a) 5%	2a		
		(2b) 0.5%	2b		
3	INTEREST. If payment is made after the deadline, complete this line	3			
4	Net due or (overpayment) from wage and salary tax (add lines 1, 2a, 2b and 3 of this part)	4			

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.

Sign Here

▶ Your signature	Date	▶ Occupation
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Paid Preparer Use Only	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's social security no.
	Firm's name (or yours if self-employed), address, and ZIP Code	EIN	Telephone no. ()	

FOR OFFICIAL USE ONLY

DATE FILED*	RECEIPT NUMBER	BALANCE DUE		REFUND APPROVED		VERIFIED BY	POSTED BY
		DATE	AMOUNT	DATE	AMOUNT		

FILED AT: SAIPAN TINIAN ROTA NORTHERN ISLANDS

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

INSTRUCTIONS FOR FORM 1040NMI (2014)

NOTE: Any person who has any income enumerated on the front of this form and who is not required to file an income tax return in the CNMI must file this return.

PART A Name and Address

1. Enter your first name and middle initial.
2. Enter your last name.
3. Enter your U.S. social security number. If you do not have a U.S. social security number, you must obtain one at the Social Security Administration Office. If you are not eligible to have a U.S. social security number, enter the taxpayer identification number (TIN) assigned to you.
4. Enter your citizenship.
5. Enter your residential address.
6. Enter your complete mailing address, i.e. post office box number or general delivery, state, and Zip code.

PART B 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. If two or more Form(s) W-2CM were received, combine the wages and salaries and enter the total.
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, bonuses, freelance income, etc.
3. Add lines 1 and 2 and enter the total on this line.
4. Enter the amount not subject to the wage and salary tax. This includes amount in CNMI government/agency employee's W-2CM box 12 Code G, housing benefits included in line 1, etc. Attach explanation otherwise this amount will be disallowed.
5. Subtract line 4 from line 3. This is your CNMI wages and salaries that is subject to the wage and salary tax.
6. Compute your tax liability on income reported on line 5 by using the wage and salary and earnings tax table below.

TAX TABLE FOR WAGE AND SALARY AND EARNINGS TAX COMPUTATION

	FROM	TO	RATE
(a)	0	1,000.00	0
(b)	1,000.01	5,000.00	2.0%
(c)	5,000.01	7,000.00	3.0%
(d)	7,000.01	15,000.00	4.0%
(e)	15,000.01	22,000.00	5.0%
(f)	22,000.01	30,000.00	6.0%
(g)	30,000.01	40,000.00	7.0%
(h)	40,000.01	50,000.00	8.0%
(i)	50,000.01	and over	9.0%

7. Enter the amount, if any, of cash contributions made during the taxable year to a qualified educational institution or other tax exempt educational institution located in the CNMI. The maximum educational credit allowable is the lesser of your cash contribution not to exceed \$5,000.00 or your combined wage and salary tax, earnings tax or business gross revenue tax liability. Cash contributions claimed on other tax returns shall be taken into account in determining the allowable credit. Attach Schedule ETC (Educational Tax Credit).
8. Subtract line 7 from line 6.
9. Enter amount of Chapter 2 taxes withheld as shown on Form(s) W-2CM box 17. Also, enter other Chapter 2, wage and salary tax paid for wages and salaries and attach proof of payment.
10. Subtract line 9 from line 8 and enter the difference. If line 9 is larger than line 8, place a bracket to indicate an (overpayment).

PART C Earnings Tax Computation

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 to the CNMI Government for public purpose.
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.
- 4a. Enter the gross winnings from any gaming, lottery, raffle or other gambling activities in the CNMI.
- 4b. Enter the amount of poker machine jackpot winnings if jackpot tax was withheld. Attach a copy of Form(s) W-2G.
- 4c. Subtract line 4b from line 4a.
5. Enter other income subject to the earnings tax unless it is excludable.
6. Add lines 1, 2, 3, 4c, and 5 of this part.
7. Compute tax liability on income reported on line 6 by using the wage and salary and earnings tax table above.
8. Enter the amount, if any, of cash contributions made during the taxable year to a qualified educational institution or other tax exempt educational institution located in the CNMI. The maximum educational credit allowable is the lesser of your cash contribution not to exceed \$5,000.00 or your combined wage and salary tax, earnings tax or business gross revenue tax liability. Cash contributions claimed on other tax returns shall be taken into account in determining the allowable credit. Attach Schedule ETC (Educational Tax Credit).
9. Subtract line 8 from line 7.

PART D Combined Due or Overpayment

1. Add the amount on line 10 of Part B and line 9 of Part C. This is your combined Chapter 2 tax due or (overpayment). If you file and pay your tax after the deadline*, the following penalty shall apply:
 - 2a. **Failure to file return on time.** Except when an extension is granted, a penalty of (5%) per month or fraction thereof is imposed on the amount due on line 1 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 Chapter 2 failure to file penalty on this line.
 - 2b. **Failure to pay tax on time.** A penalty of 1/2 of 1% (0.5%) is imposed on the amount due on line 1.
3. **Interest.** Interest is charged at the prevailing rate compounded daily on the amount due on line 1 and penalty charges (lines 2a and 2b of this part). Enter the total interest charge on this line.
4. Add lines 1, 2a, 2b, and 3 of this part. This is your net due or (overpayment). If this line shows a balance due, make your check or money order for the amount due payable to the "CNMI TREASURY".

You must sign your name on the line provided before filing this return. If this return is prepared by a tax preparer, the preparer must also sign on the line provided.

IF FILING BY MAIL, PLEASE SEND TO:

*Division of Revenue and Taxation
Post Office Box 5234 CHRB
Saipan, MP 96950*

DEADLINE: APRIL 15, 2015