



DIVISION OF REVENUE AND TAXATION
 Department of Finance
 Commonwealth of the Northern Mariana Islands
TERRITORIAL INDIVIDUAL INCOME TAX RETURN



Form **1040CM**

2017

For official use only

For the year Jan. 1 - Dec. 31, 2017 or other tax year beginning _____, 2017, ending _____, 20		See separate instructions
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. _____		▲ Make sure the SSN(s) above and on line 6c are correct
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 _____	
Apt. no. _____		Foreign postal code _____

Filing Status Check only one box

1 <input type="checkbox"/> Single	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions) If the qualifying person is a child but not your dependent, enter this child's full name here _____
2 <input type="checkbox"/> Married filing jointly (even if only one had income)	5 <input type="checkbox"/> Qualifying widow(er) with dependent child
3 <input type="checkbox"/> Married filing separately. Enter spouse's social security no. above and full name here } _____	

Exemptions

6a Yourself. If someone else can claim you as a dependent, **do not** check box 6a

b Spouse.

c Dependents:				Boxes checked on 6a and 6b No. of your children on 6c who: <input type="checkbox"/> lived with you <input type="checkbox"/> did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above
(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	
d Total number of exemptions claimed _____				

If more than four (4) dependents, see instructions and check here

SOURCE OF INCOME

Income	Description	A. INCOME WITHOUT			B. INCOME WITHIN			C. TOTAL INCOME						
		7	8a	9a	10	11	12	13	14	15b	16b	20b	21b	22b
7	Wages, salaries, tips, etc. Attach Form(s) W-2 and W-2CM													
8a	Taxable interest. Attach Schedule B if required													
b	Tax-exempt interest. DO NOT include on line 8a 8b													
9a	Ordinary dividends. Attach Schedule B if required													
b	Qualified dividends 9b													
10	Taxable refunds, credits, or offsets of state and local income taxes													
11	Alimony received													
12	Business income or (loss). Attach Schedule C or C-EZ													
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>													
14	Other gains or (losses). Attach Form 4797													
15a	IRA distributions 15a													
b	Taxable amount 15b													
16a	Pensions and annuities 16a													
b	Taxable amount 16b													
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E													
18	Farm income or (loss). Attach Schedule F													
19	Unemployment compensation													
20a	Social security benefits 20a													
b	Taxable amount 20b													
21a	Gambling winnings. Attach Form(s) W-2G													
b	Other income. List type and amount													
21b														
22a	Total income. Combine the amounts shown in each column for lines 7 through 21b													
b	Allocable percentage. (See Supplemental Instructions)													100%

Adjusted Gross Income

23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN _____	31a	
32	IRA deduction	32	
33	Student loan interest deduction	33	
34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	
37	Subtract line 36 from line 22a, column C. This is your adjusted gross income	37	

Form 1040CM (2017)

Tax and Credits

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

39a Check if: You were born before January 2, 1953 Blind. } Total boxes
 Spouse was born before January 2, 1953 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 \$156,900 or less, multiply \$4,050 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 credit. 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, \$6,350
 - Married filing jointly or Qualifying widow(er), \$12,700
 - Head of household, \$9,350

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

65 2017 estimated tax payments and amount applied from 2016 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** 8885 **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, 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 and rebate offset **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 2018 ESTIMATED TAX**. (See Part E, line 2, page 3) **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 Part D, line 6, Page 3) **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 if self-employed PTIN

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
ANNUAL WAGE AND SALARY AND EARNINGS TAX RETURN



2017

(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		

(See Form 1040CM supplemental instructions booklet to complete this part)

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 Schedule WSD)	4	
5 CNMI wages and salaries (subtract line 4 from line 3)	5	
6 Annual wage and salary tax	6	

Attach Form(s) W-2 and W-2CM here. Also attach Forms W-2G, W-2GCM and 1099-R if tax was withheld

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 and/or W-2GCM)	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 2017	5	
6 Combined wage and salary and earnings tax due or overpaid. Subtract line 5 from line 4. If negative, enclose the amount in parenthesis ()	6	

COMPLETE FORM OS-3405A BEFORE COMPLETING PART D BELOW

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 tax 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 tax liability or overpayment after rebate offset amount (add lines 1 through 3). If negative, enclose the amount in 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 <input type="checkbox"/>	6	
7 Total Chapter 7 liability or (overpayment) (add lines 4, 5 and 6). If negative, enclose the amount in parenthesis ()	7	

PART E. COMBINED DUE OR (OVERPAID)

1 Total amount due or (overpaid), Chapter 2 and Chapter 7 (add line 6 of PART C and line 7 of PART D)	1	
2 If line 1 is an overpayment, enter amount you want credited to your 2018 estimated tax	2	
3 Net (overpaid) . Add line 1 and 2 of this part. This is your refund/rebate	3	

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 United States Treasury. The Division of Revenue and Taxation is only facilitating your ACTC claim as agreed upon between the CNMI Department of Finance and the United States Treasury. By applying for the ACTC refund and allowing it 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 1, Part E, page 3	2	
3 Additional Child Tax Credit refund. Subtract line 2 from line 1, but not less than zero	3	
4 Amount you still owe after offset of the Additional Child Tax Credit. Subtract line 1 from line 2, but not less than zero	4	

PART G - Refundable American Opportunity Tax Credit

1 Refundable American Opportunity Tax Credit. 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 1, Part E, page 3 if this amount is an underpayment	2	
3 Refundable American Opportunity Tax Credit refund. Subtract line 2 from line 1, but not less than zero	3	
4 Amount you still owe after offset of the Education Credit. Subtract line 1 from line 2, but not less than 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 Keep a copy for your records	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 ()	
	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			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)

2017

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(e)	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 ()

Form OS-3405A Instructions 2017
for Form 1040CM
Computation of Non-refundable Credit and
Application for Rebate on CNMI Source Income Tax

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

1040CM

2017 Supplemental Instructions

Use in conjunction with the 2017 Internal Revenue Service (IRS) Form 1040 instructions

- **Wage and Salary Tax and Earnings Tax**
- **Additional Child Tax Credit (Schedule 8812)**
- **Refundable American Opportunity & Lifetime Learning Credits (Form 8863)**

Lines 7 through 21b (IRS instructions pages 21 through 29)

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 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 (IRS instructions page 22)

New regulations subject interest, dividends and similar income greater than \$2,000 to earnings tax. No election is required.

Line 9a (IRS instructions page 22)

New regulations subject interest, dividends and similar income greater than \$2,000 to earnings tax. No election is required.

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, column A

Divide the amount on line 22a, column A by the amount on line 22a, column C, then multiply the result by 100 and round off to four decimals.

Line 22b, column B

Subtract the value shown on line 22b, column A from 100.

Example below

Line	Column A	Column B	Column C
22a	250.00	750.00	1,000.00

Step 1. $250.00/1,000.00 = 0.25$

Step 2. $0.25 \times 100 = 25$; enter 25.0000 (25%) on line 22b, column A

Step 3. $100 - 25 = 75$; enter 75.0000 (75%) on line 22b, column B

Line 37 (IRS instructions page 38)

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

Line 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. Complete and attach Schedule 8812.

Line 68

Claim the Refundable American Opportunity Tax Credit (RAOTC) in Part G of this return. Complete and attach Form 8863.

Lines 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 3.

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 1.

Line 79

Leave this line 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 (If a joint return, enter spouse's information in column B)

1. Enter total wages and salaries received for work performed in the CNMI per Form(s) W-2 and/or W-2CM box 16.
2. Enter other wages and salaries received for work performed in the CNMI if W-2 and/or 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 on line 3 not subject to the wage and salary tax. Complete and attach Schedule WSD Wage and Salary Deduction for deductions taken on this line. If Schedule WSD is not attached, the deduction will be disallowed. Caution: Amounts excluded on this line may be subject to the earnings tax if such item of income is sourced within the CNMI and subject to the NMTIT as provided in 4CMC §1202(b)(6).
5. Subtract line 4 from line 3 under each column. This is your 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
(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%

Part B Earnings Tax Computation (If a joint return, enter spouse's 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. Enter interest, dividends, and similar income if the aggregate amount exceeds \$2,000. Enter the total amount. Otherwise, enter zero.
5.
 - a. Enter the gross winnings from any gaming, lottery, raffle or other gambling activities in the CNMI.
 - b. Enter the amount of poker machine jackpot winnings included on line 5a if jackpot tax was withheld. Attach a copy of Forms W-2G/W-2GCM.
 - c. 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 Education Tax Credit. **Caution: The maximum Education Tax Credit (ETC) allowable for either column is the lesser of cash contributions or the aggregate amount of wage and salary tax and earnings tax liability. However, education tax credit shall not exceed \$5,000.**
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 the education 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 2017 (Box 17 of W-2CM). If you received form W-2GCM/W-2G and had chapter 2 tax withheld, include that amount on this line. The chapter 2 tax is the state income tax amount in box 17. Also include earnings tax withheld on your Form 1823, if any.
6. Combined wage and salary and earnings tax due or overpaid. Subtract line 5 from line 4. If zero or less, enclose the amount in parenthesis () 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 Schedule OS-3405A, line 15, Part B.
2. Enter amount from Schedule OS-3405A, line 14, Part B.
3. Enter amount from Schedule 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, enclose the amount in parenthesis ().
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 above. Enter the value as positive number.
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 provided on this line. 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. The Division of Revenue and Taxation 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 7 of Part D. If the amount is less than zero, enclose the amount in parenthesis () to indicate overpayment and continue to the next line.

If there is amount due:

Offset against the Additional Child Tax Credit (ACTC) on Part F and/or the Refundable American Opportunity Tax Credit (RAOTC) on Part G below, if any. Please complete those parts to determine your remaining tax due. Otherwise, pay this amount.

If there is remaining tax due and the return is filed and/or the tax is paid after the due date, tax due is subject to penalty and interest charges. Use the penalty and interest worksheet on page 4 to calculate your penalties and interest. Include these charges in your payment, otherwise, the Division of Revenue and Taxation will bill you.

2. Enter the amount of overpayment from line 1 of this part you want applied to your 2018 estimated tax. The allowable amount should be less than or equal to the amount on line 1, part E above.

3. Add lines 1 and 2 of this part. This is your refund/rebate.

ACTC offset. Pay this amount unless you are claiming Refundable American Opportunity Credit in Part G below.

Penalty and Interest Worksheet

1. Enter the amount from part E, line 1.	
2. Enter the sum of part D, line 6, part F line 1, and part G line 1.	
3. If line 1 is greater than line 2, subtract line 2 from line 1. Otherwise stop here . There is no penalty.	
4. Failure to pay penalty *	
5. Failure to file penalty **	
6. Calculate interest at prevailing rates as published by the IRS from the due date until the tax and penalties are fully paid.	
7. Total penalty and interest. Add lines 4, 5, and 6. When making your payment, include this amount with the tax due shown on Part E, line 1.	

* Multiply the amount on line 3 by 0.5% for each month or fraction of a month until the date that all taxes, failure to pay penalties and interest have been paid.

** Multiply the amount on line 3 by 4.5% for each month or fraction of a month until the date that all taxes, failure to file penalties and interest have been paid.

PART F Additional Child Tax Credit (ACTC). Complete and attach Schedule 8812 to your return. Skip this part if you are not claiming this credit.

1. Enter the amount of your Additional Child Tax Credit from Schedule 8812, line 13.
2. If line 1, Part E, page 3 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 1, Part E, page 3.
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

PART G Refundable American Opportunity Tax Credit (RAOTC). Complete and attach Form 8863 to your return. Skip this part if you are not claiming this credit.

1. Enter the amount of your Refundable American Opportunity Tax Credit from Form 8863, line 8.
2. Enter amount from line 1, Part E, page 3 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 RAOTC. 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 1, Part E, Page 3.
3. If line 1 is greater than line 2, subtract line 2 from line 1. This is your RAOTC 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 the Refundable American Opportunity Tax Credit offset. Pay this amount. Otherwise, enter zero.

Where to file

Mail or deliver your return to the address shown below that applies to you.

Saipan

Division of Revenue and Taxation Central Office
P.O. Box 5234 CHRB
Joeten Dandan Commercial Building, San Vicente,
Saipan, MP 96950

Rota District Office

Division of Revenue and Taxation
P.O. Box 1406
Songsong Village, Rota, MP 96951

Tinian District Office

Division of Revenue and Taxation
P.O. Box 449
San Jose Village, Tinian, MP 96952

Filing Deadline

April 16, 2018