

Department of Finance
Division of Revenue and Taxation

For the year January 1-December 31, 2018, or other tax year beginning and ending

Commonwealth of the Northern Mariana Islands

Personal information section including name, address, and identifying number.

Filing Status section with checkboxes for various statuses like Single nonresident alien, Married nonresident alien, etc.

Table for Dependents with columns for first name, last name, identifying number, relationship, child tax credit, and credit for other dependents.

Main income table with rows 8-23 for various income types like wages, interest, dividends, and total effectively connected income.

Adjusted Gross Income section with rows 24-35 for deductions like educator expenses, health savings account, and adjusted gross income calculation.

Tax and Credits section with rows 36-39 for itemized deductions, business income deduction, and exemptions.

Tax and Credits	40 Add lines 37 through 39			40	
	41 Taxable income. Subtract line 40 from line 36. If zero or less, enter -0-			41	
	42 Tax (see instructions). Check if any from Form(s): a <input type="checkbox"/> 8814 b <input type="checkbox"/> 4972 c <input type="checkbox"/>			42	
	43 Alternative minimum tax (see instructions). Attach Form 6251			43	
	44 Excess advance premium tax credit repayment. Attach Form 8962			44	
	45 Add lines 42, 43, and 44 ▶			45	
	46 Foreign tax credit. Attach Form 1116 if required	46			
	47 Credit for child and dependent care expenses. Attach Form 2441	47			
	48 Retirement savings contributions credit. Attach Form 8880	48			
	49 Child tax credit and credit for other dependents (see instructions)	49			
	50 Residential energy credits. Attach Form 5695	50			
	51 Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	51			
	52 Add lines 46 through 51. These are your total credits			52	
53 Subtract line 52 from line 45. If zero or less, enter -0- ▶			53		
Other Taxes	54 Tax on income not effectively connected with a CNMI trade or business from page 4, Schedule NEC, line 15			54	
	55 Self-employment tax. Attach Schedule SE (Form 1040)			55	
	56 Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919			56	
	57 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required			57	
	58 Transportation tax (see instructions)			58	
	59a Household employment taxes from Schedule H (Form 1040)			59a	
	b Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required			59b	
	60 Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Instructions; enter code(s) _____			60	
61 total tax. Add lines 53 through 60 ▶			61		
Payments Made to the CNMI	62 NMTIT withheld from: a Form(s) W-2CM and 1099	62a			
	b Form(s) 8805	62b			
	c Form(s) 8288-A	62c			
	d Form(s) 1042-S	62d			
	63 2018 estimated tax payments and amount applied from 2017 return	63			
	64 Additional child tax credit. Attach Schedule 8812	64			
	65 Net premium tax credit. Attach Form 8962	65			
	66 Amount paid with request for extension to file (see instructions)	66			
	67 Excess social security and tier 1 RRTA tax withheld (see instructions)	67			
	68 Credit for federal tax on fuels. Attach Form 4136	68			
	69 Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	69			
70 Credit for amount paid with Form 1040-C	70				
71 Add lines 62a through 70. These are your total payments ▶			71		
Refund	72 If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid			72	
	73 Amount of line 72 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/>			73	
	74 Amount of line 72 you want applied to your 2019 estimated tax ▶	74			
Amount You Owe	75 Amount you owe. Subtract line 71 from line 61. For details on how to pay, see instructions ▶			75	
	76 Estimated tax penalty (see instructions)	76			
Third Party Designee	Do you want to allow another person to discuss this return with the Division of Revenue and Taxation? See instructions <input type="checkbox"/> Yes. Complete below. <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.				
	Keep a copy of this return for your records. ▶	Your signature	Date	Your occupation in the CNMI	Daytime phone number ()
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.	

Schedule A—Itemized Deductions (see instructions)

07

Taxes You Paid	1	State and local income taxes				
	a	State and local income taxes	1a			
	b	Enter the smaller of line 1a and \$10,000 (\$5,000 if married)			1b	
Gifts to CNMI Charities	2	Gifts by cash or check. If you made any gift of \$250 or more, see instructions	2			
	3	Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if the amount of your deduction is over \$500	3			
	4	Carryover from prior year	4			
	5	Add lines 2 through 4			5	
	6	Casualty or theft loss(es) from a federally declared disaster (other than net qualified disaster (losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions			6	
Other Itemized Deductions	7	Other - from list in instructions. List type and amount ▶----- ----- ----- ----- ----- ----- -----				7
	8	Add the amounts in the far right column for lines 1b through 7. Also, enter the amount on Form 1040NR-CM, line 37				8

Schedule NEC—Tax on Income Not Effectively Connected With a CNMI Trade or Business (see instructions)

Nature of income		Enter amount of income under the appropriate rate of tax (see instructions)							
		(a) 10%		(b) 15%		(c) 30%		(d) Other (specify)	
								%	%
1 Dividends and dividend equivalents:									
a Dividends paid by CNMI Corporations	1a								
b Dividends paid by foreign corporations	1b								
c Dividend equivalent payments received with respect to section 871(m) transactions	1c								
2 Interest:									
a Mortgage	2a								
b Paid by foreign corporations	2b								
c Other	2c								
3 Industrial royalties (patents, trademarks, etc.)	3								
4 Motion picture or T.V. copyright royalties	4								
5 Other royalties (copyrights, recording, publishing, etc.)	5								
6 Real property income and natural resources royalties	6								
7 Pensions and annuities	7								
8 Social security benefits	8								
9 Capital gain from line 18 below	9								
10 Gambling—Residents of Canada only. Enter net income in column (c). If zero or less, enter -0-.									
a Winnings _____									
b Losses _____	10c								
11 Gambling winnings—Residents of countries other than Canada. Note. Losses not allowed	11								
12 Other (specify) ▶ _____	12								
13 Add lines 1a through 12 in columns (a) through (d)	13								
14 Multiply line 13 by rate of tax at top of each column	14								
15 Tax on income not effectively connected with a CNMI trade or business. Add columns (a) through (d) of line 14. Enter the total here and on Form 1040NR-CM line 54 ▶	15								

Capital Gains and Losses From Sales or Exchanges of Property

16 (a) Kind of property and description (if necessary, attach statement of descriptive details not shown below)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) LOSS If (e) is more than (d), subtract (d) from (e)		(g) GAIN If (d) is more than (e), subtract (e) from (d)	
17 Add columns (f) and (g) of line 16					17 ()	
18 Capital gain. Combine columns (f) and (g) of line 17. Enter the net gain here and on line 9 above (if a loss, enter -0-) ▶								18

Enter only the capital gains and losses from property sales or exchanges that are from sources within the CNMI and not effectively connected with a CNMI business. Do not include a gain or loss on disposing of a CNMI real property interest; report these gains and losses on Schedule D (Form 1040).

Report property sales or exchanges that are effectively connected with a CNMI business on Schedule D (Form 1040), Form 4797, or both.

Schedule OI—Other Information (see instructions)

Answer all questions

- A Of what country or countries were you a citizen or national during the tax year?
- B In what country did you claim residence for tax purposes during the tax year?
- C Have you ever applied to be a green card holder (lawful permanent resident) of the United States? Yes No
- D Were you ever:
 - 1. A U.S. citizen? Yes No
 - 2. A green card holder (lawful permanent resident) of the United States? Yes No
 If you answer "Yes" to (1) or (2), see Pub. 519, chapter 4, for expatriation rules that apply to you.
- E If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year.
- F Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? Yes No
If you answered "Yes," indicate the date and nature of the change. ▶
- G List all dates you entered and left the CNMI during 2018 (see instructions).
Note. If you are a resident of Canada or Mexico AND commute to work in the CNMI at frequent intervals, **check the box for Canada or Mexico** and skip to item H Canada Mexico

Date entered the CNMI mm/dd/yy	Date departed the CNMI mm/dd/yy

Date entered the CNMI mm/dd/yy	Date departed the CNMI mm/dd/yy

- H Give number of days (including vacation, nonworkdays, and partial days) you were present in the CNMI during:
2016, 2017, and 2018
- I Did you file a CNMI income tax return for any prior year? Yes No
If "Yes," give the latest year and form number you filed . . . ▶
- J Are you filing a return for a trust? Yes No
If "Yes," did the trust have a CNMI or foreign owner under the grantor trust rules, make a distribution or loan to a CNMI person, or receive a contribution from a CNMI person? Yes No
- K Did you receive total compensation of \$250,000 or more during the tax year? Yes No
If "Yes," did you use an alternative method to determine the source of this compensation? Yes No
- L Income Exempt from Tax—If you are claiming exemption from income tax under a CNMI income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.
1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required (see instructions).

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

- (e) **Total.** Enter this amount on Form 1040NR-CM, line 22. Do not enter it on line 8 or line 12
- 2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? Yes No
- 3. Are you claiming treaty benefits pursuant to a Competent Authority determination? Yes No
If "Yes," attach a copy of the Competent Authority determination letter to your return.
- M Check the applicable box if:
 - 1. This is the first year you are making an election to treat income from real property located in the CNMI as effectively connected with a CNMI trade or business under section 871(d). See instructions ▶
 - 2. You have made an election in a previous year that has not been revoked, to treat income from real property located in the CNMI as effectively connected with a CNMI trade or business under section 871(d). See instructions ▶



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
ANNUAL WAGE AND SALARY AND EARNINGS TAX RETURN
(See supplemental instructions)



2018

(For Form **1040NR-CM**)

Your first name and initial	Last name	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 ! ▲ You must enter your SSN(s) above
City, town or post office, state, and ZIP code.		

PART A WAGE AND SALARY TAX COMPUTATION

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		

PART B EARNINGS TAX COMPUTATION

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		
b Less amount excludable (attach Form(s) W-2G)	5b		
c 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, 5c, and 6	7		
8 Annual earnings tax	8		

PART C TOTAL CHAPTER 2 TAX DUE/(OVERPAYMENT)

1 Wage and salary tax and earnings tax. Add line 6 part A and line 8 part B	1		
2 Education tax credit (attach Schedule ETC)	2		
3 Tax after education tax credit Subtract line 2 from line 1, but not less than zero	3		
4 Enter total wage and salary tax and earnings tax withheld and amount paid in 2018	4		
5 Combined wage and salary and earnings tax due or overpaid Subtract line 5 from line 4. If negative, enclose with parenthesis.	5		

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

PART D CHAPTER 7 TAX AND REBATE OFFSET

1 Chapter 7 tax underpayment after non-refundable credit. Enter amount from Schedule OS-3405A, line 11, part B	1		
2 Chapter 7 tax overpayment after non-refundable credit. Enter amount from Schedule OS-3405A, line 10, part B	2	()	
3 Rebate offset amount. Enter amount from Schedule OS-3405A, line 12, part B.	3	()	
4 Chapter 7 liability or (overpayment) after rebate offset amount. Add lines 1 through 3	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 E COMBINED DUE OR (OVERPAYMENT)

1	Total amount due or (overpaid). Add line 5 PART C and line 7 of PART D. If negative, enclose amount in parenthesis ().	1	
2	If line 1 is an overpayment, enter amount you want credited to your 2019 ETIMATED TAX	2	
3	Net (overpaid) Add lines 1 and 2 of this part. This is your refund/rebate	3	()

If there is amount due on Part E, line 1 above:

Offset against the Additional Child Tax Credit (ACTC) on Part F and/or the Refundable American Opportunity Credit (RAOC) 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 Penalties and Interest Worksheet below to calculate your penalties and interest. Please include these charges in your payment; otherwise, the Division of Revenue and Taxation will bill you.

Penalties and Interest Worksheet

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

* 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 Computation (attach Schedule 8812)

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 15 of Schedule 8812	1	
2	Enter the amount due, if any from line 1, 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. If line 2 is greater than line 1 Subtract line 1 from line 2, otherwise enter zero	4	

PART G Refundable Education Tax Credit (attach Form 8863)

1	Enter the amount from Form 8863, Line 8	1	
2	If you're claiming ACTC, enter the amount from line 4, Part F. Otherwise, enter the amount from line 1, Part E .	2	
3	Education Credit 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) <input type="text"/>
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 in the CNMI Daytime phone no. ()
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
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



**COMPUTATION OF NON-REFUNDABLE CREDIT AND
APPLICATION FOR REBATE ON CNMI SOURCE INCOME TAX**

Schedule
OS-3405A

(For Form 1040NR-CM) See instructions

2018

Please Type or Print in Ink	Your first name and initial		Last name		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 ! ▲ You must enter your SSN(s) above
	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	2		
3 User fees paid	3		
4 Fees and taxes imposed under 4CMC §2202(e)	4		
5 Total non-refundable credits (add lines 1 through 5)	5		

PART B - Rebate Computation

6 Total NMTIT	6		
7 Total NMTIT payments made	7		
8 Total non-refundable credits (enter amount from line 5, Part A)	8		
9 Rebate Base (adjusted CNMI source tax). Subtract line 8 from line 6. If zero or less, enter -0)	9		
10 NMTIT overpayment (If line 7 is greater than line 9, subtract line 9 from line 7, otherwise, enter -0-)	10		
11 NMTIT underpayment (If line 9 is greater than line 7, subtract line 7 from line 9, otherwise, enter -0-)	11		
12 Rebate offset amount. Calculate this amount as determined by the rebate base (line 9) using the rebate table provided in Part B of the instructions	12		

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 in the CNMI	Daytime phone number ()
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.		

Instructions for Schedule OS-3405A Application for Non-refundable Credit and Rebate on CNMI Source Income Tax 2018

PART A NON-REFUNDABLE CREDITS

1. Enter the wage and salary tax and earnings tax as shown on line 3, 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 enter your share of BGRT in the partnership as 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), in lieu of the tax under 4 CMC §1301.
5. Add all amounts shown in lines 1 through 5. This is your total non-refundable credit.

PART B REBATE COMPUTATION

6. Enter the tax as shown on line 61 of Form 1040NR-CM.
7. Enter the total payments made for the taxable year as shown on line 71 of Form 1040NR-CM.
8. Enter the total non-refundable credits from line 5, part A.
9. Subtract line 8 from line 6. If zero or less, enter zero.
10. If line 7 is greater than line 9, subtract line 9 from line 7, otherwise, enter zero.
11. If line 9 is greater than line 7, subtract line 7 from line 9, otherwise, enter zero.
12. Calculate the rebate offset amount as determined by the rebate base (line 9) using the rebate table below. Enter the result here.

REBATE TABLE		
If rebate base (line 10) 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 CHR
SAIPAN, MP 96950**

DEADLINE: APRIL 15, 2019