

CNMI Income Tax Return of a Foreign Corporation

For calendar year 2018, or tax year beginning _____, 2018, and ending _____, 20_____
 Go to www.cnmidof.net for forms and instructions and the latest information.

Type or Print	Name	Employer identification number
	Number, street, and room or suite no. (see instructions)	Check box(es) if: <input type="checkbox"/> Initial return <input type="checkbox"/> Name or address change <input type="checkbox"/> Final return <input type="checkbox"/> First post-merger return <input type="checkbox"/> Amended return <input type="checkbox"/> Schedule M-3 attached <input type="checkbox"/> Protective return
	City or town, state or province, country, and ZIP or foreign postal code	

<p>A Country of incorporation _____</p> <p>B Foreign country under whose laws the income reported on this return is also subject to tax _____</p> <p>C Date incorporated _____</p> <p>D (1) Location of corporation's primary books and records (city, province or state, and country) _____</p> <p>_____</p> <p>(2) Principal location of worldwide business _____</p> <p>_____</p> <p>(3) If the corporation maintains an office or place of business in the United States, check here <input type="checkbox"/></p>	<p>E If the corporation had an agent in the CNMI at any time during the tax year, enter:</p> <p>(1) Type of agent _____</p> <p>(2) Name _____</p> <p>(3) Address _____</p> <p>_____</p> <p>F See the instructions and enter the corporation's principal:</p> <p>(1) Business activity code number _____</p> <p>(2) Business activity _____</p> <p>(3) Product or service _____</p> <p>G Check method of accounting: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____</p>
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Computation of Tax Due or Overpayment

1 Tax from Section I, line 11, page 3	1				
2 Tax from Section II, Schedule J, line 9, page 5	2				
3 Tax from Section III (add lines 6 and 10 on page 6)	3				
4 Total tax. Add lines 1 through 3				4	
5a 2017 overpayment credited to 2018	5a				
b 2018 estimated tax payments	5b				
c Less 2018 refund applied for on Form 4466	5c	()		
d Combine lines 5a through 5c	5d				
e Tax deposited with Form 7004	5e				
f Credit for tax paid on undistributed capital gains (attach Form 2439)	5f				
g Credit for federal tax paid on fuels (attach Form 4136). See instructions	5g				
h Refundable credit from Form 8827, line 8c	5h				
i CNMI income tax paid or withheld at source (add line 12, page 3, and amounts from Forms 8288-A and 8805 (attach Forms 8288-A and 8805))	5i				
j Total payments. Add lines 5d through 5i				5j	
6 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>				6	
7 Amount owed. If line 5j is smaller than the total of lines 4 and 6, enter amount owed				7	
8a Overpayment. If line 5j is larger than the total of lines 4 and 6, enter amount overpaid				8a	
b Amount of overpayment on line 8a resulting from tax deducted and withheld under Chapters 3 and 4 (from Schedule W, line 7, page 8)				8b	
9 Enter portion of line 8a you want Credited to 2019 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>				9	

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

Signature of officer	Date	Title	
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May the Division of Revenue and Taxation discuss this return with the preparer shown below (see instructions)? **Yes** **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. ▶			

Additional Information (continued from page 1)

Table with columns: Question (H-U), Yes, No, and detailed text for questions V-EE. Includes questions about accounting changes, income determination, CNMI tax returns, trade or business, permanent establishments, transactions, controlled foreign corporations, personal service corporations, tax-exempt interest, voting stock, NOL carryover, subsidiaries, dealer status, and disallowed deductions.

Additional Information (continued from page 2)

FF Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year (see instructions)?

Yes	No

GG Does the corporation satisfy one of the following conditions and the corporation does not own a pass-through entity with current year, or prior year carryover, excess business interest expense (see instructions)?

Yes	No

(1) The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year do not exceed \$25 million, and the corporation is not a tax shelter.

(2) The corporation only has business interest expense from (a) an electing real property trade or business, (b) an electing farming business, or (c) certain utility businesses under section 163(j)(7).

If "No," complete and attach Form 8990.

HH During the tax year, did the corporation dispose of an interest in a partnership that directly or indirectly engaged in a trade or business within the United States?

II Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?

If "Yes," enter amount from Form 8996, line 13 ▶ \$ _____

Yes	No

SECTION I—Income From CNMI Sources Not Effectively Connected With the Conduct of a Trade or Business in the CNMI — Do not report items properly withheld and reported on Form 1042-S. See instructions.

Report all gross transportation income subject to 4% tax on line 9. Report other column (a) income items only if not properly withheld and reported on Form 1042-S. The rate of tax on these **gross** income items is 30% or such lower rate specified by tax treaty. No deductions are allowed against these types of income. Enter treaty rates where applicable. **If the corporation is claiming a lower treaty rate, also complete item W on page 2.** If multiple treaty rates apply to a type of income (for example, subsidiary and portfolio dividends or dividends received by disregarded entities), attach a statement showing the amounts, tax rates, and withholding for each.

Name of treaty country, if any ▶

	(a) Class of income (see instructions)	(b) Gross amount	(c) Rate of tax (%)	(d) Amount of tax liability	(e) Amount of CNMI income tax paid or withheld at the source
1	Interest				
2a	Dividends (excluding payments received by QDDs in their equity derivatives dealer capacity)				
2b	Dividend equivalents (excluding payments received by QDDs in their equity derivatives dealer capacity)				
3	Rents				
4	Royalties				
5	Annuities				
6	Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting statement)				
7	Gains from sale or exchange of patents, copyrights, etc.				
8	Fiduciary distributions (attach supporting statement)				
9	Gross transportation income (see instructions)		4		
10	Other items of income				

11	Total. Enter here and on line 1, page 1 ▶				
12	Total. Enter here and include on line 5i, page 1 ▶				

13 Is the corporation fiscally transparent under the laws of the foreign jurisdiction with respect to any item of income listed above? Yes No
 If "Yes," attach a statement that provides the information requested above with respect to each such item of income.

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the CNMI
(see instructions)

Important: Fill in all applicable lines and schedules. If you need more space, see **Assembling the Return** in the instructions.

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal ▶	1c				
	2	Cost of goods sold (attach Form 1125-A)											
	3	Gross profit (subtract line 2 from line 1c)											
	4	Dividends (Schedule C, line 13)											
	5	Interest											
	6	Gross rents											
	7	Gross royalties											
	8	Capital gain net income (attach Schedule D (Form 1120))											
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)											
	10	Other income (see instructions—attach statement)											
	11	Total income. Add lines 3 through 10								▶	11		
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (see instructions—attach Form 1125-E)											
	13	Salaries and wages (less employment credits)											
	14	Repairs and maintenance											
	15	Bad debts (for bad debts over \$500,000, attach a list of debtors and amounts)											
	16	Rents											
	17	Taxes and licenses											
	18	Interest expense from Schedule I, line 25 (see instructions)											
	19	Charitable contributions											
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)											
	21	Depletion											
	22	Advertising											
	23	Pension, profit-sharing, etc, plans											
	24	Employee benefit programs											
	25	Reserved for future use											
	26	Deductions allocated and apportioned to ECI from Schedule H, line 20 (see instructions)											
	27	Other deductions (attach statement)											
	28	Total deductions. Add lines 12 through 27								▶	28		
	29	Taxable income before NOL deduction and special deductions (subtract line 28 from line 11)									▶	29	
	30	Less	a	Net operating loss deduction (see instructions)		30a							
			b	Special deductions (Schedule C, line 14)		30b							
		c	Add lines 30a and 30b						30c				
31	Taxable income or (loss). Subtract line 30c from line 29										31		

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the CNMI

(continued)

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions: (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-finance stock)		50	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		65	
3 Dividends on certain debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		23.3	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		26.7	
6 Dividends from less-than-20%-owned foreign corporations		50	
7 Dividends from 20%-or-more-owned foreign corporations		65	
8 Subtotal. Add lines 1 through 7. See instructions for limitation		see instructions	
9 Dividends from foreign corporations not included on line 3, 6, or 7			
10 IC-DISC and former DISC dividends not included on line 1, 2, or 3 (section 246(d))			
11 Other dividends			
12 Deduction for dividends paid on certain preferred stock of public utilities			
13 Total dividends. Add lines 8 through 11. Enter here and on line 4, page 4			
14 Total special deductions. Add lines 8 and 12. Enter here and on line 30b, page 4			

Schedule J Tax Computation (see instructions)

1 Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		<input type="checkbox"/>		
2 Income tax			2	
3 Base erosion minimum tax (attach Form 8991)			3	
4 Add lines 2 and 3			4	
5a Foreign tax credit (attach Form 1118)	5a			
b General business credit (attach Form 3800)	5b			
c Credit for prior year minimum tax (attach Form 8827)	5c			
d Bond credits from Form 8912	5d			
6 Total credits. Add lines 5a through 5d			6	
7 Subtract line 6 from line 4			7	
8 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach statement)			8	
9 Total tax. Add lines 7 and 8. Enter here and on line 2, page 1			9	

SECTION III—Branch Profit Tax and Tax on Excess Interest

PART I—Branch Profit Tax (see instructions)

1	Enter the amount from Section II, line 29	1		
2	Enter total adjustments to line 1 to get effectively connected earnings and profits. (Attach required statement showing the nature and amount of adjustments.) (See instructions.)	2		
3	Effectively connected earnings and profits. Combine line 1 and line 2	3		
4a	Enter CNMI net equity at the end of the current tax year. (Attach required statement.)	4a		
b	Enter CNMI net equity at the end of the prior tax year. (Attach required statement.)	4b		
c	Increase in CNMI net equity. If line 4a is greater than or equal to line 4b, subtract line 4b from line 4a. Enter the result here and skip to line 4e	4c		
d	Decrease in CNMI net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b	4d		
e	Non-previously taxed accumulated effectively connected earnings and profits. Enter excess, if any of effectively connected earnings and profits for preceding tax years beginning after 1986 over any divided equivalent amounts those tax years	4e		
5	Dividend equivalent amount. Subtract line 4c from line 3. If zero or less, enter -0-. If no amount is entered on line 4c, add the lesser of line 4d or line 4e to line 3 and enter the total here	5		
6	Branch profits tax. Multiply line 5 by 30% (0.30) (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. Also complete item W on page 2	6		

Part II—Tax on Excess Interest (see instructions for this Part and for Schedule I (Form 1120-F))

7a	Enter the interest from Section II, line 18	7a		
b	Enter the inverse of the total amount deferred, capitalized, and disallowed from Schedule I, line 24d (i.e., if line 24d is negative, enter as a positive number; if line 24d is positive, enter as a negative number)	7b		
c	Combine lines 7a and 7b (amount must equal Schedule I, line 23)	7c		
8	Branch interest. (see instructions for definition): Enter the sum of Schedule I, line 9, column (c), and Schedule I, line 22. If the interest paid by the foreign corporation's CNMI trade or business was increased because 80% or more of the foreign corporation's assets are CNMI assets, check this box <input type="checkbox"/>	8		
9a	Excess interest. Subtract line 8 from line 7c. If zero or less, enter -0-	9a		
b	If the foreign corporation is a bank, enter the excess interest treated as interest on deposits (see instructions for rules for computing this amount). Otherwise, enter -0-	9b		
c	Subtract line 9b from line 9a	9c		
10	Tax on excess interest. Multiply line 9c by 30% (0.30) (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. Also complete item W on page 2	10		

Part III—Additional Information

		Yes	No
11	Is the corporation claiming a reduction in, or exemption from, the branch profits tax due to:		
a	A complete termination of all CNMI trades or businesses?		
b	The tax-free liquidation or reorganization of a foreign corporation?		
c	The tax-free incorporation of a CNMI trade or business?		
If 11a or 11b applies and the transferee is a domestic corporation, attach Form 8848. If 11c applies, attach the statement required by Temporary Regulations section 1.884-2T(d)(5).			

Note: Check if completing on CNMI basis or Worldwide basis

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 CNMI government obligations				
5 Tax-exempt securities (see instructions)				
6a Interbranch current assets*				
b Other current non-CNMI assets*				
c Other current CNMI assets*				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9a Other loans and investments—non-CNMI assets*				
b Other loans and investments—CNMI assets*				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Assets held in trust				
15 Other non-current interbranch assets*				
16a Other non-current non-CNMI assets*				
b Other non-current CNMI assets*				
17 Total assets				
Liabilities				
18 Accounts payable				
19 Mortgages, notes, bonds payable in less than 1 year:				
a Interbranch liabilities*				
b Third-party liabilities*				
20 Other current liabilities*				
21 Loans from shareholders				
22 Mortgages, notes, bonds payable in 1 year or more:				
a Interbranch liabilities*				
b Third-party liabilities*				
23 Liabilities held in trust				
24a Other interbranch liabilities*				
b Other third-party liabilities*				
Equity				
25 Capital stock: a Preferred stock				
b Common stock				
26 Additional paid-in capital				
27 Retained earnings—Appropriated*				
28 Retained earnings—Unappropriated				
29 Adjustments to shareholders' equity*				
30 Less cost of treasury stock		()		()
31 Total liabilities and shareholders' equity				

*Attach statement—see instructions.

Schedule W Overpayment Resulting From Tax Deducted and Withheld Under Chapters 3 and 4

1 Total Chapter 3 and 4 payments. Enter the amount from page 1, line 5i		1	
2 Enter the tax amount from page 1, line 1	2		
3 Enter the portion of the tax amount shown on page 1, line 2 pertaining to income associated with amounts deducted and withheld under sections 1445 and 1446 (see instructions for general guidelines)	3		
4 Total Chapter 3 and 4 tax. Combine lines 2 and 3		4	
5 Tentative overpayment resulting from tax deducted and withheld under Chapters 3 and 4. Subtract line 4 from line 1		5	
6 Enter the amount from page 1, line 8a		6	
7 Overpayment resulting from tax deducted and withheld under Chapters 3 and 4. Enter the smaller of line 5 or line 6. Enter the result here and on page 1, line 8b		7	

**Application for Non-refundable Credit and Rebate
on CNMI Source Income Tax**

Department of Finance
Division of Revenue and Taxation
Commonwealth of the Northern Mariana Islands

(Attach to Form 1120F-CM)

2018

For Official Use Only (DLN)

Corporate name		Taxpayer Identification Number (TIN)
Mailing address	Telephone number	Contact person

PART A Non-refundable Credits

1 Business gross revenue tax

Name	Tax ID No.	
a		a
b		b
c		c

2 User fees paid under 4 CMC §1421 **2**

3 Fees and taxes imposed under 4 CMC § 2202(e) **3**

4 Total non-refundable credits (add lines 1 through 3) **4**

PART B Rebate Computation

5 Total NMTIT on all source. Enter amount from Form 1120F-CM, page 1, line 4. **5**

6 Total NMTIT payments made. Enter amount from Form 1120F-CM, page 1, line 5j **6**

7 Total non-refundable credits. Enter amount from line 4 above **7**

8 Rebate offset base. Subtract line 7 from line 5. If zero or less, enter zero **8**

9 NMTIT overpayment. If line 6 is greater than line 8, subtract line 8 from line 6. Otherwise, enter zero. **9** ()

10 NMTIT underpaid. If line 8 is greater than line 6, subtract line 6 from line 8. Otherwise enter zero. **10**

11 Rebate offset amount. Calculate this amount as determined by the rebate base on line 8. **11** ()

12 Total NMTIT tax liability or overpayment after rebate offset amount. Add lines 9, 10, and 11. If this is an overpayment, enclose the amount in parenthesis (). **12**

PART C Chapter 7 Tax Adjustment

13 Tax on overpayment of credit. See supplemental instructions. **13**

14 Penalty and interest

14a Estimated tax penalty. Check if Form 2220 is attached **14a**

14b Penalty for late filing and/or payment, and interest charges **14b**

15 Total due or (overpaid). Add lines 12 through 14b. If this line shows amount due, pay this amount. **Stop here.** If this line shows an overpayment, enclose the amount in parenthesis () and continue on lines 17 and 18 **15**

16 Amount you want credited to your **2019 estimated tax.** **16**

17 Net overpayment. Add line 16 and line 17 **17**

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

2018 Schedule OS-3405A Instructions for Form 1120F-CM

Type or print your business name, mailing address, state, city, ZIP, or foreign postal code.

Part A Non-refundable Credits

1. Enter the amount of business gross revenue tax paid or accrued during the taxable year under 4CMC Chapter 3. For partners and/or shareholders of a 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 Taxpayer Identification Number (TIN) and amount of BGRT. This is the tax imposed under 4CMC §1301.
2. Enter the amount of user fees paid during the taxable year under 4 CMC § 1421.
3. Enter the amount of fees and taxes paid or accrued during the taxable year under 4CMC §2202(e), in lieu of the tax imposed under 4 CMC §1301.
4. Add lines 1 through 3.

Part B Rebate Computation

5. Enter the tax from Form 1120F-CM, page 1, line 4.
6. Enter the total payments made for the taxable year from Form 1120F-CM, page 1, line 5j.
7. Enter the total non-refundable credits from Part A, line 4 above.

8. Rebate offset base. Subtract line 7 from line 5. If line 7 is greater, enter zero.
9. NMTIT overpayment. If line 6 is greater than line 8, subtract line 8 from line 6. Otherwise, enter zero.
10. NMTIT underpaid. If line 8 is greater than line 6, subtract line 6 from line 8. Otherwise, enter zero.
11. Rebate amount. Compute the rebate base amount on line 8 as shown on the rebate table below.
12. This is your total NMTIT tax liability or overpayment after rebate offset. Add lines 9, 10, and 11. If this is an overpayment, enclose the amount in parenthesis ().

Part C Chapter 7 Tax Adjustment

13. Tax on overpayment of credits. Enter the lesser of line 9 (ignore parenthesis) of Part B, or the total of lines 5g and 5h as shown on Form 1120F-CM, page 1. If zero or less, enter zero.
14. **a.** Enter the estimated tax penalty. If Form 2220 is attached, checkmark the box provided.
b. Enter the total amount of late charges for failure to file on time, failure to pay on time, and interest.
15. Total due or (overpaid). Add lines 13 through 15b.
16. Enter the amount you want credited to your 2019 estimated tax.
17. Net overpayment. Add line 16 and line 17.

REBATE TABLE		
If rebate offset base (line 8) is:	The rebate offset amount is:	Example
Not over \$20,000	90% of the rebate offset base	Rebate offset base x 90%
\$20,001 - \$100,000	\$18,000 plus 70% of the rebate offset base over \$20,000	Rebate offset base – 20,000 x 70% + 18,000
Over \$100,000	\$74,000 plus 50% of the rebate offset base over \$100,000	Rebate offset base – 100,000 x 50% + 74,000

If filing by mail, please send to:

Saipan Central Office
Division of Revenue and Taxation
P.O. Box 5234 CHRB
Saipan, MP 96950

Rota District Office
Division of Revenue and Taxation
P.O. Box 1406
Rota, MP 96951

Tinian District Office
Division of Revenue and Taxation
P.O. Box 449
Tinian, MP 96952

Filing deadline

If fiscal year-end is December 31, the deadline for 2018 is April 15, 2019.
For fiscal year-end other than December 31, the deadline is the 15th day of the 4th month after year end.