

Schedule  
**1120S-CM**

**Allocation of Income for an S Corporation**

2018

Do not file this return unless the corporation has filed or is attaching Form 2553 to elect to be an S Corporation

Department of Finance  
Division of Revenue and Taxation

Go to [www.cnmidof.net/rev/forms.asp](http://www.cnmidof.net/rev/forms.asp) for tax forms

Commonwealth of the  
Northern Mariana Islands

For calendar year 2018 or tax year beginning \_\_\_\_\_, 2018, ending \_\_\_\_\_, 20\_\_\_\_

<b>A</b> S election effective date	<b>Type or Print</b>	Name	<b>D</b> Employer identification number
<b>B</b> Business activity code number (see instructions)		Number, street, and room or suite no. If a P.O. box, see instructions	<b>E</b> Date incorporated
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code	<b>F</b> Total assets (see instructions)

- G** Is the corporation electing to be an S corporation beginning with this tax year?  Yes  No If "Yes", attach Form 2553 if not already filed.
- H** Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return (5)  S election termination or revocation
- I** Enter the number of shareholders who were shareholders during any part of the year ▶

**Caution:** Include **only** trade or business income and expenses on lines 1a through 21a below. See instructions for more information.

Source of Income and Deductions				A.	B.	C.
				INCOME WITHOUT	INCOME WITHIN	TOTAL INCOME
<b>Income</b>	<b>1a</b> Gross receipts or sales . . . . .	<b>1a</b>				
	<b>b</b> Returns and allowances . . . . .	<b>1b</b>				
	<b>c</b> Balance. Subtract line 1b from line 1a . . . . .	<b>1c</b>				
	<b>2</b> Cost of goods sold (attach Form 1125-A) . . . . .	<b>2</b>				
	<b>3</b> Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b>				
	<b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797) . . . . .	<b>4</b>				
<b>5</b> Other income (loss) (see instruction-attach statement) . . . . .	<b>5</b>					
<b>6 Total income (loss).</b> Add lines 3 through 5 . . . . . ▶	<b>6</b>					
<b>Deductions (see instructions for limitations)</b>	<b>7</b> Compensation of officers (see instructions - attach Form 1125-E) . . . . .	<b>7</b>				
	<b>8</b> Salaries and wages (less employment credits) . . . . .	<b>8</b>				
	<b>9</b> Repairs and maintenance . . . . .	<b>9</b>				
	<b>10</b> Bad debts . . . . .	<b>10</b>				
	<b>11</b> Rents . . . . .	<b>11</b>				
	<b>12</b> Taxes and licenses . . . . .	<b>12</b>				
	<b>13</b> Interest (see instructions) . . . . .	<b>13</b>				
	<b>14</b> Depreciation not claimed on Form 1125-A or elsewhere on return (Attach Form 4562)	<b>14</b>				
	<b>15</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> ) . . . . .	<b>15</b>				
	<b>16</b> Advertising . . . . .	<b>16</b>				
	<b>17</b> Pension, profit-sharing, etc., plans . . . . .	<b>17</b>				
	<b>18</b> Employee benefit programs . . . . .	<b>18</b>				
	<b>19</b> Other deductions (attach statement) . . . . .	<b>19</b>				
	<b>20 Total deductions.</b> Add lines 7 through 19 . . . . .	<b>20</b>				
	<b>21a Ordinary business income (loss).</b> Subtract line 20 from line 6 . . . . .	<b>21a</b>				
<b>21b</b> Allocable percentage . . . . .	<b>21b</b>		%	%	100%	

**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 partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

May the Division of Revenue and Taxation discuss this return with the preparer shown below (see instructions)?  Yes  No

<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.

# 2018

## 1120S-CM Supplemental Instructions

This form must be used as attachment to Form 1120S (2018), U.S. Income Tax Return for an S Corporation. The purpose of this form is to allocate the income and expenses of the S Corporation based on source of income and related expenses.

1. For lines 1c through 21a, make appropriate source allocation from each line item based upon income source within and without the CNMI. Enter the figure in their respective column.
2. For line 21b, make the percentage allocation of the taxable income from each source in proportion to the total taxable income on line 21a by dividing the taxable income from line 21a, columns A and B by the total taxable income from line 21a, column C.

### EXAMPLE:

Percentage allocation for line 21a, column A

$$\frac{\text{Line 21a, column A}}{\text{Line 21a, column C}} = \text{Percentage allocation for line 21b, column A}$$

Percentage allocation for line 21a, column B

$$\frac{\text{Line 21a, column B}}{\text{Line 21a, column C}} = \text{Percentage allocation for line 21b, column B}$$

*Caution: If the percentage allocation is less than zero, enter zero. If more than 100%, enter only 100%.*

All other instructions are contained in the regular Form 1120S instruction booklet.

Attach Schedule 1120S-CM to Form 1120S.

**NOTE:** The S corporation shall properly allocate the income (loss) to each shareholder. Also, all non-refundable credits shall be properly allocated to each shareholder under 4 CMC §1308(b).

However, any Business Gross Revenue Tax taken as a deduction shall not be allowed as a non-refundable credit.