

**Instructions for Schedule OS-3405A (1040CM)
Application for Nonrefundable Credit and Rebate
on CNMI Source Income Tax**

2020

Part A. Non-refundable Credit.

1. Wage and salary tax and Earnings tax. Enter amount from line 4, Part C, page 3 of the wage and salary and earnings tax return.
2. Enter the business gross revenue tax from which this return is associated with. List separately the name of the business, tax ID number, and the amount of business gross revenue tax paid by the business.
3. Enter the tax ID number and User fees paid pursuant to 4 CMC §1422.
4. Enter the tax ID number and the amount of fees paid pursuant to 4 CMC §2202(e), in lieu of the tax imposed under 4 CMC § 1301.
5. Total non-refundable credit. Add lines 1, 2, 3 and 4.

Part B. Tax after Non-refundable credit and Rebate Computation.

6. Total NMTIT on all sources. Enter the amount from line 24 of Form 1040CM, page 2.
7. Total NMTIT payments made. Line 33 minus line 28, line 29, and line 30 of Form 1040CM, page 2.
8. Tax on sources outside the CNMI. Multiply line 6 above by the percentage on line 9b, Column A of Form 1040CM, page 1.
9. Tax on sources within the CNMI. If line 8 is greater than line 6, enter zero. Otherwise, subtract line 8 from line 6.
10. Adjusted CNMI source tax. If line 5 is greater than line 9, enter zero. Otherwise, subtract line 5 from line 9.

11. Total tax after non-refundable credit. Add line 8 and line 10.
12. NMTIT overpayment. If line 11 is greater than line 7, enter zero. Otherwise, subtract line 11 from line 7.
13. NMTIT underpaid. If line 7 is greater than line 11, enter zero. Otherwise, subtract line 7 from line 11.
14. Rebate offset amount. Use the rebate base on line 10 to calculate the amount to enter on this line using the rebate table on page 4.
15. Add lines 12, 13, and 14. If the result is less than zero, enclose the amount in parenthesis ().

Part C. Chapter 7 Tax Due or (Overpaid)

16. Tax on overpayment of credits. If line 15 shows tax due, enter zero. Otherwise, enter the lesser of: line 12 of Schedule OS-3405A or line 27 of Form 1040CM plus the difference of line 13 and line 9 of Schedule 3. Reference 4 CMC § 1709.
17. To figure your estimated tax penalty on Form 2210, substitute the tax underpaid amount with the amount shown on line 13. If Form 2210 is completed and 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 line 17. The Division of Revenue and Taxation will adjust your return accordingly or bill you later for this amount.
18. Add lines 15, 16, and 17. This is your total Chapter 7 (NMTIT) liability or overpayment. NOTE: Line 15 may be a negative number.

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
April 15, 2021