



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
TERRITORIAL INDIVIDUAL INCOME TAX RETURN
FOR SINGLE AND JOINT FILERS WITH NO DEPENDENTS
AND CNMI SOURCE INCOME ONLY



Form 1040EZ-CM

(Please type or print in ink)

2004

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Name and Address

Your first name and initial	Last Name	
If a joint return, spouse's first name and initial	Last Name	Apt. No.
Home Address (number and street). If you have a P.O. Box, see page 11.		
City, town or post office, state, and ZIP code. If you have a foreign address, see page 11.		

Your social security number

Spouse's social security number

◆ IMPORTANT ! ◆
 You must enter SSN(s) above.

Income

1	Total wages, salaries, and tips. This should be shown in box 1 of your W-2CM form(s). Attach your W-2CM form(s)....	1	
2	Taxable interest income. If the total is over \$1,000 or over, you cannot use Form 1040EZ-CM.....	2	
3	Unemployment compensation (see page 13).....	3	
4	Add lines 1, 2, and 3. This is your adjusted gross income	4	
5	Can your parents (or someone else) claim you on their return? NOTE: You must check YES or NO	5	
	<input type="checkbox"/> Yes. Enter amount from worksheet on page 3, line G. <input type="checkbox"/> No. If single , enter \$7,950.00 If married filing jointly, enter \$15,900.....		
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income	6	
7	Enter your NMTIT (Chapter 7) income tax withheld from box 2a of your W-2CM form(s).....	7	
8a	Earned income credit (EIC)	8a	
	b Non-taxable combat pay election.....	8b	
9	Add lines 7 and 8a. These are your total payments	9	
10	Tax. Use the amount on line 6 above to find your tax in the tax table on pages 24-32 of the booklet. Then, enter the tax from the table on this line.....	10	
11	If line 9 is larger than line 10, subtract line 10 from line 9. This is your refund (before rebate)	11	
12	If line 10 is larger than line 9, subtract line 9 from line 10. This is the amount you owe (before rebate offset)..	12	

Payments and tax

Refund or amount you owe

Third Party Designee

Do you want to allow another person to discuss this return with the Division of Revenue and Taxation (see page 19)? **Yes.** Complete the following. **No.**

Designee's name _____ Phone no. () _____ Personal identification number (PIN) ►

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Sign here. Keep a copy of this return 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's Use Only

► Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN.
Firm's name (or yours if self-employed) and address and Zip		EIN	
		ZIP code	

(See instructions on page 4)

A. YOURSELF B. SPOUSE

PART A Wage and salary tax computation	1	CNMI wages and salaries from Form(s) 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 in line 3 not subject to the wage and salary tax (attach explanation).....	4				
	5	CNMI wages and salaries (subtract line 4 from line 3).....	5				
	6	Annual wage and salary tax.....	6				
	7	Combined annual tax (add line 6, Columns A and B).....	7				
	8	Wages and salary tax withheld and/or paid.....	8	()	
	9	Total wage and salary tax due or (overpaid) (add lines 7 and 8).....	9				
PART B Rebate computation	1	Total NMTIT (Chapter 7) tax (line 10, page 1).....	1				
	2	Total NMTIT (Chapter 7) payments made (enter amount from 9, page 1).....	2				
	3	Total non-refundable credits (enter amount from line 7, part A).....	3				
	4	Tax after non-refundable credit (subtract line 3 from line 1. If zero or less, enter -0-).....	4				
	5	NMTIT overpayment (subtract line 4 from line 2. If zero or less, enter -0-).....	5				
	6	NMTIT underpayment (subtract line 2 from line 4. If zero or less, enter -0-).....	6				
	7	Rebate base computation (see table on Part B, Page 4).....	7				
PART C Chapter 7 tax and rebate offset calculations	1	Chapter 7 tax underpayment after non-refundable credit (enter amount from line 6, part B).....	1				
	2	Chapter 7 overpayment after non-refundable credit (enter amount from line 5, part B).....	2				
	3	Rebate/rebate offset amount (enter amount from line 7, 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 through 6).....	7				
PART D Combined due or (overpayment)	1	Total due or (overpaid), Chapter 2 and Chapter 7. (Add line 9 of part A and line 4 of part C)..... If this line shows an overpayment, continue on to line 5.	1				
	2	CHAPTER 2 : Enter amount underpaid (b) Failure to File.....	2b				
		(a) _____ (c) Failure to Pay.....	2c				
		(d) Interest Charge.....	2d				
	3	CHAPTER 7 : Enter amount underpaid (b) Failure to File.....	3b				
		(a) _____ (c) Failure to Pay.....	3c				
		(d) Interest Charge.....	3d				
	4	Total penalty and interest charges (add lines 2b, 2c, 2d, 3b, 3c, and 3d).....	4				
	5	Total amount due or (overpaid), Chapter 2 and Chapter 7 (add lines 1 and 4 of this part, and lines 5 and 6 of part C)...	5				
	6	If line 5 is an overpayment, enter amount you want credited to your 2005 ESTIMATED TAX	6				
7	Net overpayment.....	7					

FOR OFFICIAL USE ONLY					
DATE FILED	DATE PAID	AMOUNT PAID	RECEIPT NO.	VERIFIED BY	POSTED BY

*If received after the due date, show post mark.

DEADLINE: APRIL 15, 2005

Use this form if

- ! Your filing status is single or married filing jointly. If you are not sure about your filing status, see page 11.
- ! You (and your spouse if married) were under 65 and not blind at the end of 2004. If you were born on January 1, 1940, and you are considered to be age 65 at the end of 2004.
- ! You do not claim any dependents.
- ! Your taxable income (line 6) is less than \$100,000.
- ! You do not claim any adjustment to income for educator expenses.
- ! The only tax credit you can claim is the earned income credit.
- ! You had **only** CNMI source wages, salaries, tips, taxable scholarship or fellowship grants, or unemployment compensation and your taxable interest was not over \$1,000. **But** if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your W-2CM, you may not be able to use Form 1040EZ-CM (See page 12).
- ! You did not receive any advance earned income credit payments.

Filling in your return

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filling in the form. Also, see the booklet if you received a Form 1099-INT showing Federal or CNMI income tax withheld or if Federal income tax was withheld from your unemployment compensation.

Remember; you must report all wages, salaries, and tips even if you do not get a Form W-2CM from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

 **For tips on how to avoid common mistakes, see page 20.**

Worksheet for dependents who checked "Yes" on line 5

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent see publication 17.

A.	Amount, if any, from line 1, page 1. _____			
	+ _____ 250.00	Enter total.....	▶	A. _____
B.	Minimum standard deduction.....			B. <u>800.00</u>
C.	Enter the LARGER of line A or line B here.....			C. _____
D.	Maximum standard deduction. If single, enter \$4,850.00; If married filing jointly, enter \$9,700.00.....			D. _____
E.	Enter the SMALLER of line C or line D here. This is your standard deduction.....			E. _____
F.	Exemption amount. ! If single, enter -0- ! If married filing jointly and - both you and your spouse can be claimed as dependents, enter -0- - Only one of you can be claimed as a dependent, enter \$3,100.00.		}	F. _____
G.	Add lines E and F. Enter the total here and on line 5, page 1.....			G. _____

If you checked "NO" on line 5, page 1 because no one can claim you (or your spouse if married filing jointly) as a dependent, enter on line 5, page 1 the amount shown below that applies to you.

- ! Single, enter \$7,950.00. This is the total of your standard deduction (\$4,850.00) and your exemption (\$3,100.00).
- ! Married filing jointly, enter \$15,900.00. This is the total of your standard deduction (\$9,700.00), your exemption (\$3,100.00), and your spouse's exemption (\$3,100.00).

Mailing your return

If filing by mail, please send to: Division of Revenue and Taxation
Post Office Box 5234 CHRB
Saipan, MP 96950

Instructions for Wage And Salary Tax, Chapter 7 Tax, and Rebate Offset Calculations

PART A Wage and salary tax computation

1. Enter total wages and salaries **received for work performed in the CNMI** per Form(s) W-2CM. If this is a joint return, your spouse must also enter the same information, if any, on column B.
2. Enter on column A, other wages and salaries **received for work performed in the CNMI** which Form(s) W-2CM were not issued or received. i.e. tips, freelance income, etc. If this is a joint return, your spouse must also enter the same information, if any, on column B.
3. Add lines 1 and 2 under each column.
4. Enter the amount not subject to the wage and salary tax. Attach explanation. i.e. housing benefits included in line 1, etc. This amount will be disallowed if no explanation is attached.
5. Subtract line 4 from line 3 under each column. This is your total CNMI wages and salaries that is subject to the wage and salary tax.
6. Compute your tax liability on income reported on line 5 of each column using the wage and salary tax table below.

WAGE AND SALARY TAX TABLE

FROM	TO	RATE	FROM	TO	RATE
(a) 0	1,000.00	-0-	f) 22,000.01	30,000.00	6.0%
(b) 1,000.01	5,000.00	2.0%	g) 30,000.01	40,000.00	7.0%
(c) 5,000.01	7,000.00	3.0%	h) 40,000.01	50,000.00	8.0%
(d) 7,000.01	15,000.00	4.0%	i) 50,000.01	and over	9.0%
(e) 15,000.01	22,000.00	5.0%			

7. Add the tax on line 6, columns A and B.
8. Enter the total Chapter 2 tax withheld as shown in Form(s) W-2CM. Also, enter other Chapter 2, wage and salary tax payments made for wages and salaries.
9. Add lines 7 and 8. If this is an overpayment, place a bracket around the figure. This is the Chapter 2, wage and salary tax liability or overpayment.

PART B Rebate offset computation

1. Amount on line 10, page 1.
2. Amount on line 9, page 1.
3. Enter the total non-refundable credits from line 7, part A.
4. Subtract line 3 from line 1. If zero or less, enter zero.
5. Subtract line 4 from line 2. If zero or less, enter zero.
6. Subtract line 2 from line 4. If zero or less, enter zero.
7. Compute the rebate base amount (line 4) based on their rebate table below.

REBATE TABLE

	NON-CORPORATE TAXPAYER		
IF REBATE BASE (line 4) IS:	THE REBATE AMOUNT IS:		EXAMPLE:
! Not over \$20,000	! 90% of the rebate base		! Rebate base X 90%
! \$20,000-\$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

PART C Chapter 7 tax and rebate offset calculation

1. Enter amount from line 6, part B.
2. Enter amount from line 5, part B.
3. Enter amount from line 7, part B.
4. Add amounts in line 1 thru 3 of this part. If amount is less than zero, place a bracket around the figure.
5. Enter the lesser of the amount on line 8, page 1, of this return or the amount on line 5, part B but not less than zero.
6. Enter all applicable charges here based on the underpaid tax shown on line 1 of this part. Also, include underpayment of estimated tax as shown on the return.
7. Add lines 4 thru 6. This is your total Chapter 7 (NMTIT) liability or overpayment.

Part D Combined due or (overpayment)

1. AMOUNT DUE OR (OVERPAID). Add line 9 of part A, and line 4 of part C. If this line shows a tax due and you filed on or before the deadline, continue on line 5. HOWEVER, if this line shows a tax due and you filed after the DEADLINE, proceed to line 2a. If it is an overpayment, place a bracket around your figure and continue on line 5.
2. (a) Enter amount from line 9 of part A. If the amount on line 4, part C is an overpayment, add the amount on line 9 of part A, and line 4, part C. Enter amount on this line but, not less than zero.
 (b) **To compute the failure to file penalty for Chapter 2 taxes:** A penalty of 5% is imposed of the net amount due (**line 2a**) up to one month, with an additional 5% for every additional month or fraction thereof, up to maximum of 25%. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by ½ of 1%. Enter the total Chapter 2 failure to file penalty on this line.
 (c) **To compute the failure to pay penalty for Chapter 2 taxes:** A penalty of ½ of 1% per month, or fraction thereof, of the amount due (**line 2a**) shall be added for failure to pay taxes. The aggregate amount shall be limited to a maximum of 25%. Enter the total Chapter 2 failure to pay penalty on this line.
 (d) **To compute the interest on Chapter 2 taxes:** Interest at prevailing rate compounded daily, is imposed on the amount due (**line 2a**) (**NOTE: The annual interest rate is subject to change as determined by the Commissioner**). Enter the total Chapter 2 interest on this line.
3. (a) If line 1 is a tax due, subtract line 2a from line 1, but not less than zero.
 (b) **To compute the failure to file penalty for Chapter 7 taxes:** A penalty of 5% is imposed of the net amount due (**line 3a**) up to one month, with an additional 5% for every additional month or fraction thereof, up to maximum of 25%. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by ½ of 1%. Enter the total Chapter 7 failure to file penalty on this line.
 (c) **To compute the failure to pay penalty for Chapter 7 taxes:** A penalty of ½ of 1% per month, or fraction thereof, of the amount due (**line 3a**) shall be added for failure to pay taxes. The aggregate amount shall be limited to a maximum of 25%. Enter the total Chapter 7 failure to pay penalty on this line.
 (d) **To compute the interest on Chapter 7 taxes:** Interest at prevailing rate compounded daily, is imposed on the amount due (**line 3a**) (**NOTE: The annual interest rate is subject to change as determined by the Commissioner**). Enter the total Chapter 7 interest on this line.
4. Add lines 2b, 2c, 2d, 3b, 3c and 3d. This is the total penalty and interest charges applicable to Chapter 7 and Chapter 2 taxes.
5. Add lines 1 and 4 (if any) of this part, and lines 5 and 6 of part C. If it is a tax due, *Make your check payable to: "CNMI Treasurer"*. If it is an overpayment, place a bracket around your figure and proceed to line 6.
6. Enter amount of overpayment on line 5, you want applied to your **2005 ESTIMATED TAX**, but not more than the amount on line 5.
7. Amount you want refunded. Add lines 5 and 6 of this part.