



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
EMPLOYEE'S ANNUAL WAGE AND SALARY, AND EARNINGS
TAX RETURN



Form 1040NMI

(Please type or print in ink) (See instructions on reverse side)

2004

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PART A Name and Address	1. First name and middle initial	2. Last name	3. U.S. social security no.	4. Citizenship
	5. Present home address	6. Mailing address		
	7. Marital status: <input type="checkbox"/> Single <input type="checkbox"/> Head of household <input type="checkbox"/> Married <input type="checkbox"/> Widow(er)		8. Spouse's first name and middle initial	9. Spouse's U.S. social security no.
ZIP code				

PART B 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 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	Education tax credit (attach Schedule ETC).....	7		
	8	Wage and salary tax after credit (subtract line 7 from line 6).....	8		
	9	Wage and salary tax withheld and/or paid.....	9		
	10	Tax underpayment or (overpayment) (subtract line 9 from line 8).....	10		
	11	PENALTY CHARGE. If return is filed and paid after the deadline, complete these lines.....	(11a) 5%.....11a		
	12	INTEREST. If payment is made after the deadline, complete this line.....	(11b) 0.5%.....11b		
	13	Total wage and salary tax due or (overpaid) (add lines 10, 11a, 11b and 12).....	▶ 13		

PART C Earnings Tax Computation	1	Gain from the sale of personal property.....	1		
	2	One half of the gain from the sale of real property (see instructions).....	2		
	3	One half of the net income from leasing of real property.....	3		
	4a	Gross winnings from any gaming, lottery, raffle, etc..	4a		
	4b	Less amount excludable.....	4b		
			4c Balance.....	4c	
	5	Other income subject to the earnings tax unless excludable under the earnings tax.....	5		
	6	Total income subject to earnings tax (add lines 1 thru 3, line 4c, and line 5).....	6		
	7	Annual earnings tax.....	7		
	8	Education tax credit (attach Schedule ETC).....	8		
	9	Annual earnings tax after credit.....	9		
	10	PENALTY CHARGE. (If return is filed and paid after the deadline, complete these lines).....	(10a) 5%.....10a		
11	INTEREST. If payment is made after the deadline, complete this line.....	(10b) 0.5%.....10b			
12	Total earnings tax due (add lines 9, 10a, 10b and 11).....	▶ 12			

PART D	1	Net due or (overpayment) from wage and salary, and earnings tax (add line 13, part B and line 12, part C).....	▶ 1		
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Under penalties of perjury, I declare that I have examined this return and accompanying 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 the preparer has any knowledge.

Sign Here	▶ Your signature	Date	Occupation		
	▶ Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security no.	
Paid Preparer's Use Only	Firm's name (or yours if self-employed) and address	EIN		ZIP code	

FOR OFFICIAL USE ONLY

DATE FILED*	RECEIPT NUMBER	BALANCE DUE		REFUND APPROVED		VERIFIED BY	POSTED BY
		DATE	AMOUNT	DATE	AMOUNT		

FILED AT: SAIPAN TINIAN ROTA NORTHERN ISLANDS

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

INSTRUCTIONS FOR FORM 1040NMI

NOTE: Any person who has any income enumerated on the front of this form and who is not required to file an income tax return in the CNMI must file this return.

PART A Name and Address

1. Enter your first name and middle initial.
2. Enter your last name.
3. Enter your U.S. social security number. If you do not have a U.S. social security number, you must obtain one at the Social Security Administration Office. If you are not eligible to have a U.S. social security number, enter the taxpayer identification number (TIN) assigned to you.
4. Enter your citizenship.
5. Enter your residential address.
6. Enter your complete mailing address, i.e. post office box number or general delivery, state, and Zip code.
7. Indicate your marital status. Check one box.
8. Enter your spouse's first name and middle initial.
9. Enter your spouse's U.S. social security number.

PART B Wage and Salary Tax Computation

1. Enter total wages and salaries received for work performed in the CNMI per Form(s) W-2 and W-2CM. If two or more Form(s) W-2 and W-2CM were received, combine the wages and salaries and enter the total.
2. Enter other wages and salaries received for work performed in the CNMI which Form(s) W-2 and W-2CM were not issued or received, i.e., tips, bonuses, freelance income, etc.
3. Add lines 1 and 2 and enter the total on this line.
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. This is your CNMI wages and salaries that is subject to the wage and salary tax.
6. Compute your tax liability on income reported on line 5 by using the wage and salary and earnings tax table below.

TAX TABLE FOR WAGE AND SALARY AND EARNINGS TAX COMPUTATION

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

7. Enter the amount, if any, cash contributions made during the taxable year to a qualified educational institution or other tax exempted educational institution located in the CNMI. The maximum educational credit allowable is the lesser of \$5,000.00 or your accumulated wage and salary tax, earnings tax or business gross revenue tax liability. Attach Schedule ETC (Educational Tax Credit).
8. Subtract line 7 from line 6.
9. Enter amount of Chapter 2 taxes withheld as shown on Form(s) W-2CM and attach. Also, enter other Chapter 2, wage and salary tax payments made for wages and salaries.
10. Subtract line 9 from line 8 and enter the difference. If line 9 is larger than line 8, bracket the difference to indicate an (overpayment).
11. If you file and pay your tax after the deadline*, the following penalty shall apply:
- 11a. Failure to file return on time. Except when an extension is granted, a penalty of (5%) of the tax shall be added for every month or fraction thereof elapsing between the due date of this return and the date it is actually filed, not exceeding (25%) in the aggregate. Enter the penalty on this line.
- 11b. Monthly penalty upon taxes. For taxes which are not paid when due, a penalty of (0.5%) of the tax shall be added to the amount due if the period of nonpayment is not more than one month, with an additional (0.5%) for each additional month or fraction thereof during which nonpayment continues.
12. If you pay the tax due after the deadline*, there is an interest charge as provided under the NMTIT on the amount due (line 10) and penalty charges (lines 11a and 11b) from the date the tax is due until it is actually paid. Enter the total interest charge on this line.
13. Add the amounts shown on lines 10, 11a, 11b, and 12 and enter the amount on this line. If this is an (overpayment), put a bracket around your figure. This is your total wage and salary liability or (overpayment).

PART C Earnings Tax Computation

1. Enter the amount, of any, gain from the sale of personal property (not business property).
2. Enter one-half (1/2) of the amount of any gain from the sale of real property located in the CNMI that was not used in the course of carrying a business. Exclude any gain from the sale of real property to the CNMI Government for public purpose.
3. Enter one-half (1/2) of the net income from leasing of real property located in the CNMI including the assignment of any lease that was not in the course of carrying on a business.
- 4a. Enter the gross winnings from any gaming, lottery, raffle or other gambling activities in the CNMI.
- 4b. Enter the amount of poker machine jackpot winnings if jackpot tax was withheld. Attach a copy of Form(s) W-2G.
- 4c. Subtract line 4b from line 4a.
5. Enter other income subject to the earnings tax unless it is excludable.
6. Add lines 1, 2, 3, 4c, and 5 of this part.
7. Compute tax liability on income reported on line 6 by using the wage and salary and earnings tax table above.
8. Enter the amount, if any, cash contributions made during the taxable year to a qualified educational institution or other tax exempted educational institution located in the CNMI. The maximum educational credit allowable is the lesser of \$5,000.00 or your accumulated wage and salary tax, earnings tax or business gross revenue tax liability. Attach Schedule ETC (Educational Tax Credit).
9. Subtract line 8 from line 7.
10. If you file and pay your tax after the deadline*, the following penalty shall apply:
- 10a. Failure to file return on time. Except when an extension is granted, a penalty of (5%) of the tax shall be added for every month or fraction thereof elapsing between the due date of this return and the date it is actually filed, not exceeding (25%) in the aggregate. Enter the penalty on this line.
- 10b. Monthly penalty upon taxes. For taxes which are not paid when due, a penalty of (0.5%) of the tax shall be added to the amount due if the period of nonpayment is not more than one month, with an additional (0.5%) for each additional month or fraction thereof during which nonpayment continues.
11. If you pay the tax due after the deadline*, there is an interest charge as provided under the NMTIT of the amount due (line 9) and penalty charges (lines 10a and 10b) from the date the tax is due until it is actually paid. Enter the total interest charge on this line.
12. Add the amounts shown on lines 9, 10a, 10b, and 11 and enter the amount on this line. This is your total earnings liability.

PART D Combined Due or Overpayment

1. Add line 13 of part B and line 12 of part C. This is your net due or (overpayment) from wage and salary, and earnings tax. If this line shows a balance due, make your check or money order for the amount due payable to the "CNMI TREASURER".

You must sign your name on the line provided before filing this return. If this return is prepared by a tax preparer, the preparer must also sign on the line provided.

IF FILING BY MAIL, PLEASE SEND TO:

*Division of Revenue and Taxation
Post Office Box 5234 CHR
Saipan, MP 96950*

*DEADLINE: APRIL 15, 2005

Form 1040NMI (2004)