



**DIVISION OF REVENUE AND TAXATION**  
**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**ALLOCATION OF INCOME FOR PARTNERSHIP RETURN**



**Schedule**  
**1065CM**

(Please type or print in ink) (See instructions on reverse side)  
 For calendar year 2004 or tax year beginning \_\_\_\_\_, 2004, ending \_\_\_\_\_, 20 \_\_\_\_\_ **2004**

**See separate instructions.**

<b>A</b> Principal business activity	Name	<b>D</b> Employer identification number
<b>B</b> Principal product or service	Number, street, and room or suite no. (If a P.O. box, see page 14 of instructions.)	<b>E</b> Date Business Started
<b>C</b> Business code no.	City or town, state, and ZIP code	<b>F</b> Total assets (see page 14 of the instructions) \$

**F** Check applicable boxes: (1) **G** Initial return (2) **G** Final return (3) **G** Name change (4) **G** Address c Change (5) **G** Amended return  
**H** Check accounting method: (1) **G** Cash (2) **G** Accrual (3) **G** Other (specify) \_\_\_\_\_  
**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year \_\_\_\_\_

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22a below. See the instructions for more information.

SOURCE OF INCOME		A. INCOME WITHOUT	B. INCOME WITHIN	C. TOTAL
<b>Income</b>	<b>1a</b> Gross receipts or sales	1a		
	<b>b</b> Less returns and allowances	1b		
	<b>1c</b> Bal			
	<b>2</b> Cost of goods sold (Schedule A, line 8).....	<b>2</b>		
	<b>3</b> Gross profit. Subtract line 2 from line 1c.....	<b>3</b>		
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule).....	<b>4</b>		
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040)).....	<b>5</b>		
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17.....	<b>6</b>		
<b>7</b> Other income (loss) (attach statement).....	<b>7</b>			
<b>8 Total income (loss).</b> Combine lines 3 through 7.....	<b>8</b>			
<b>Deductions</b> <small>(See instructions for limitations on deductions.)</small>	<b>9</b> Salaries and wages (other than to partners) (less employment credits)...	<b>9</b>		
	<b>10</b> Guaranteed payments to partners.....	<b>10</b>		
	<b>11</b> Repairs and maintenance.....	<b>11</b>		
	<b>12</b> Bad debts.....	<b>12</b>		
	<b>13</b> Rents.....	<b>13</b>		
	<b>14</b> Taxes and licenses (Do not include non-refundable credits used on this return).....	<b>14</b>		
	<b>15</b> Interest.....	<b>15</b>		
	<b>16a</b> Depreciation (attach Form 4562)	16a		
	<b>b</b> Less depreciation claimed on <b>Schedule A</b> and elsewhere on return	16b		
	<b>c</b> Schedule A and elsewhere on return.....	<b>16c</b>		
	<b>17</b> Depletion.....	<b>17</b>		
	<b>18</b> Retirement plans.....	<b>18</b>		
	<b>19</b> Employee benefit programs.....	<b>19</b>		
	<b>20</b> Other deductions (attach statement).....	<b>20</b>		
<b>21</b> Total deductions. Add lines 9 through 20.....	<b>21</b>			
<b>22a</b> Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8.....	<b>22a</b>			
<b>b</b> Allocable percentage.....	<b>22b</b>	_____ %	_____ %	100%

**Please Sign Here**

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.

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

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

**Paid Preparer's Use Only**

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's SSN or PTIN \_\_\_\_\_

Firm's name (or yours if self-employed) and address \_\_\_\_\_ EIN \_\_\_\_\_

Phone No. \_\_\_\_\_ ( ) \_\_\_\_\_

## INSTRUCTIONS

1. For lines 1c through 22a, make appropriate source allocation from each line item based upon income source within and without the CNMI.
2. For line 22b, make the percentage allocation of the taxable income from each source in proportion to the total taxable income on line 22a by dividing the taxable income from line 22a, columns A and B by the total taxable income from line 22a, column C.

### EXAMPLE:

#### Percentage allocation for line 22b, col. A

Line 22a, col. A  
))))))))) = Percentage allocation for line 22b, col. A  
Line 22a, col. C

#### Percentage allocation for line 22b, col. B

Line 22a, col. B  
))))))))) = Percentage allocation for line 22b, col. B  
Line 22a, col. C

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

3. All other instructions are contained in the regular Form 1065 instruction pamphlet.
4. Attach Schedule 1065-CM to Form 1065.

**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) as amended by P.L. 9-59 and P.L. 10-73.