

**DIVISION OF REVENUE AND TAXATION**  
**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**ALLOCATION OF INCOME FOR AN S CORPORATION**



**Schedule**  
**1120S-CM**

For calendar year 2006 or tax year beginning \_\_\_\_\_, 2006, ending \_\_\_\_\_, 2006  
**2006**  
**See separate instructions.**

<b>A</b> Effective date of election as an S corporation	Name _____ Number, street, and room or suite no. (If a P.O. box, see instructions.) _____ City or town, state, and ZIP code _____	<b>D</b> Employer identification number _____ <b>E</b> Date Incorporated _____ <b>F</b> Total assets (see instructions) \$ _____
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**F** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Name change (4)  Address Change (5)  Amended return  
**G** Enter number of shareholders in the corporation at the end of the tax year \_\_\_\_\_ ▶

**Caution:** Include **only** trade or business income and expenses on lines 1a through 21a below. See page 13 of the instructions for more information.

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

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.

<b>Please Sign Here</b>	Signature of officer _____ Date _____ Title _____	May the Division of Revenue and Taxation discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	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 _____ EIN ▶ _____ Phone No. ▶ ( ) _____

## INSTRUCTIONS

1. For lines 1c through 21a, make appropriate source allocation from each line item based upon income source within and without the CNMI.
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 21b, col. A

Line 21a, col. A  
\_\_\_\_\_ = Percentage allocation for line 21b, col. A  
Line 21a, col. C

#### Percentage allocation for line 21b, col. B

Line 21a, col. B  
\_\_\_\_\_ = Percentage allocation for line 21b, col. B  
Line 21a, 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 1120S instruction pamphlet.
4. 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) as amended by P.L. 9-59 and P.L. 10-73.