



DIVISION OF REVENUE AND TAXATION
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



ALLOCATION OF INCOME FOR AN S CORPORATION

(See instructions on reverse side)

Schedule

1120S-CM

(Please type or print in ink) ▶ See separate instructions

2007

For calendar year 2007 or tax year beginning _____, 2007, ending _____, 20

A Effective date of election as an S corporation	Name	D Employer identification number
B Business activity code no. (see instructions)	Number, street, and room or suite no. If a P.O. box, see instructions.	E Date incorporated
C Check if Schedule M-3 attached <input type="checkbox"/>	City or town, state, and ZIP code	F Total assets (see instructions) \$

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes", attach Form 2553 if not already filed
H Check applicable boxes: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation
I 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 21. See the instructions for more information.

SOURCE OF INCOME

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

Under penalties of perjury, I declare that I have examined this return, including 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.

Sign Here

Signature of officer _____ Date _____ Title _____

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

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), address, and ZIP code	EIN	Phone No. ()	

1120S INSTRUCTIONS

This form shall be used as attachment to Form 1120S, U.S. Income Tax Return for an S Corporation. The purpose of this form is to allocate the income and expenses of the S Corporation based on source of income and related expenses.

1. For lines 1c through 21a, make appropriate source allocation from each line item based upon income source within and without the CNMI. Enter the figure in their respective column.
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 2b, column A

$$\frac{\text{Line 21a, col. A}}{\text{Line 21a, col. C}} = \text{Percentage allocation for line 21b, col. A}$$

Percentage allocation for line 21b, column B

$$\frac{\text{Line 21a, col. B}}{\text{Line 21a, col. C}} = \text{Percentage allocation for line 21b, col. B}$$

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 booklet.
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).

However, any Business Gross Revenue Tax taken as a deduction shall not be allowed as a non-refundable credit.