



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



▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation

Schedule
1120S-CM

▶ See separate instructions and

2008

For calendar year 2008 or tax year beginning _____, 2008, ending _____, 20

A S election effective date	Please type or print in ink	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 who were shareholders during any part 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 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 instructions - attach statement) 5			
6 Total income (loss). Add lines 3 through 5 ▶ 6				
Deductions (See instructions for limitations on deductions.)	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 (Do not deduct oil and gas depletion). 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%	

Sign Here

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, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

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
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Paid	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Preparer's Use Only	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, respectively, 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.