



**DIVISION OF REVENUE AND TAXATION**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



**TERRITORIAL INDIVIDUAL INCOME TAX RETURN**

**Form 1040A-CM**

*(Please type or print in ink)*

**2009**

Do not write in this space

<b>Name and Address</b>	Your first name and initial	Last Name	Your social security number	
	If a joint return, spouse's first name and initial	Last Name	Spouse social security number	
	Home address (number and street). If you have a P.O. Box, see page 17.		Apt. No.	<b>IMPORTANT !</b> You must enter SSN(s) above
	City, town, or post office, state and ZIP code. If you have a foreign address, see page 17.			

<b>Filing Status</b> Check only one box	1 <input type="checkbox"/> Single		4 <input type="checkbox"/> Head of household (with qualifying person). (see page 18)	
	2 <input type="checkbox"/> Married filing joint (even if only one had income)		If the qualifying person is a child but not your dependent, enter this child's name here _____	
	3 <input type="checkbox"/> Married filing separate. Enter spouse's social security no. above and full name here ▶ _____		5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see page 19)	

<b>Exemptions</b>	6a <input type="checkbox"/> <b>Yourself.</b> If your parent (or someone else) can claim you as a dependent on his or her tax return, <b>do not</b> check box 6a				} No. of boxes checked on 6a and 6b _____	
	6b <input type="checkbox"/> <b>Spouse</b>					
<b>If more than five dependents see page 17</b>	<b>c Dependents:</b>		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 20)	} No. of your children on 6c <b>who:</b> ● lived with you _____ ● did not live with you due to divorce or separation (see page 21) _____ Dependents on 6c not entered above _____ Add numbers entered on lines above _____
	(1) First Name	Last Name			<input type="checkbox"/>	
					<input type="checkbox"/>	
					<input type="checkbox"/>	
					<input type="checkbox"/>	
					<input type="checkbox"/>	
	d Total number of exemptions claimed.....					

**SOURCE OF INCOME**

		A. INCOME WITHOUT		B. INCOME WITHIN		C. TOTAL INCOME		
<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2 and W-2CM.....	7					
	8a	Taxable interest. Attach Schedule B if required .....	8a					
	b	Tax-exempt interest. <b>DO NOT</b> include on line 8a..... [8b] _____						
	9a	Ordinary dividends. Attach Schedule B if required .....	9a					
	b	Qualified dividends (see page 25)..... [9b] _____						
	10	Capital gain distribution (see page 25) .....	10					
	11a	IRA distribution. .... 11a _____ 11b Taxable amount (see page 25) ...	11b					
	12a	Pensions and annuities. 12a _____ 12b Taxable amount (see page 26)....	12b					
	13	Unemployment compensation in excess of \$2,400 per recipient and Alaska Permanent Fund dividend (see page 28) .....	13					
	14a	Social security benefits 14a _____ b Taxable amount (see page 28)....	14b					
	15a	<b>Total Income.</b> Add amounts shown in all columns for lines 7 through 14b.....	15a					
	15b	Allocable percentage (see instructions).....	15b	%	%	100%		
	<b>Adjusted Gross Income</b>	16	Educator expenses (see page 30) .....	16				
		17	IRA deduction (see page 30).....	17				
		18	Student loan interest deduction (see page 32).....	18				
19		Tuition and fees deduction. Attach Form 8917 .....	19					
20		Add lines 16 through 19. These are your <b>total adjustments</b> .....	20					
21	Subtract line 20 from line 15a, col. C. This is your <b>adjusted gross income</b> .....	21						

	<b>22</b> Enter the amount from line 21 (adjusted gross income).....	<b>22</b>	
	<b>23a</b> Check if: <input type="checkbox"/> <b>You</b> were born before Jan. 2, 1945, <input type="checkbox"/> <b>Blind.</b> } Total boxes <input type="checkbox"/> <b>Spouse</b> was born before Jan. 2, 1945, <input type="checkbox"/> <b>Blind.</b> } checked <b>23a</b> <input style="width: 40px; height: 20px;" type="text"/>		
	<b>b</b> If you are married filing separately and your spouse itemizes deductions, see page 34 and check here..... <b>23b</b> <input type="checkbox"/>		
	<b>24a</b> Enter your <b>standard deduction</b> (see below) <ul style="list-style-type: none"> <li>◆ Single or Married filing separately - \$5,700</li> <li>◆ Married filing jointly or Qualifying widow(er) - \$11,400</li> <li>◆ Head of household - \$8,350</li> </ul>	<b>24a</b>	
	<b>b</b> If you are increasing your standard deduction by certain real estate taxes, new motor vehicle taxes, attach Schedule L and check here (see page 34). ..... <b>24b</b> <input type="checkbox"/>		
	<b>25</b> Subtract line 24a from line 22. If line 24a is more than line 22 enter -0- .....	<b>25</b>	
<b>Tax and Credits</b>	<b>26 Exemptions</b> . If line 22 is \$125,100 or less and you did not provide housing to a Midwestern displaced individual, multiply \$3,650 by the number on line 6d. Otherwise, see page 34.....	<b>26</b>	
	<b>27 Taxable Income.</b> Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-.....	<b>27</b>	
	<b>28 Tax</b> , including alternative minimum tax (see page 35).....	<b>28</b>	
	<b>29</b> Credit for child and dependent care expenses. Attach Form 2441.....	<b>29</b>	
	<b>30</b> Credit for the elderly or disabled. Attached Schedule R.....	<b>30</b>	
	<b>31</b> Education credits from Form 8863, line 29.....	<b>31</b>	
	<b>32</b> Retirement savings contributions credit. Attach Form 8880 .....	<b>32</b>	
	<b>33</b> Child tax credit. (see page 38) .....	<b>33</b>	
	<b>34</b> Add lines 29 through 33. These are your total credits.....	<b>34</b>	
	<b>35</b> Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-.....	<b>35</b>	
	<b>36</b> Advance earned income credit payments from Form(s) W-2, box 9.....	<b>36</b>	
	<b>37</b> Add lines 35 and 36. This is your <b>total tax</b> .....	<b>37</b>	

	<b>38a</b> Federal income tax withheld from Forms W-2 and 1099.....	<b>38a</b>	
	<b>b</b> Total NMTIT (Chapter 7) withheld from Forms W-2CM and 1099.....	<b>38b</b>	
	<b>39</b> 2009 estimated tax payments and amount applied from 2008 return.....	<b>39</b>	
	<b>40</b> Making work pay and government retiree credits. Attach Schedule M. ....	<b>40</b>	
<b>Payments</b>	<b>41a Earned income credit (EIC)</b> .....	<b>41a</b>	
	<b>b</b> Nontaxable combat pay election <input style="width: 150px; height: 20px;" type="text"/> <b>41b</b>		
	<b>42</b> Additional child tax credit. Attach Form 8812 .....	<b>42</b>	
	<b>43</b> Refundable education credit from Form 8863 line 16. ....	<b>43</b>	
	<b>44</b> Add lines 38, 39, 40, and 41a. This are your <b>total payments</b> .....	<b>44</b>	

	<b>45</b> If line 44 is more than line 37, subtract line 37 from line 44. This is the amount you <b>OVERPAID</b> before Non-refundable credit and rebate offset.....	<b>45</b>	
<b>Refund</b>	<b>46</b> Amount of line 45 you want <b>refunded to you.</b> .....	<b>46</b>	
	<b>47</b> Amount of line 45 you want <b>APPLIED TO YOUR 2010 ESTIMATED TAX.</b> (see Part E.Sup Instr.) .....	<b>47</b>	

	<b>48 Amount you owe.</b> Subtract line 44 from line 37. This is the amount you OWE before the Non-refundable credit and rebate offset (see additional instructions on page 5, Part E of Supplemental Instructions).....	<b>48</b>	
<b>Amount you Owe</b>	<b>49</b> Estimated tax penalty. (see additional instructions on page 4, Part D of Supplemental Instructions).....	<b>49</b>	

	Do you want to allow another person to discuss this return with the Division of Revenue and Taxation (see page 67)? <input type="checkbox"/> <b>Yes.</b> Complete the following. <input type="checkbox"/> <b>No</b>		
<b>Third Party Designee</b>	Designee's name _____ Phone no. ( ) _____ Personal Identification Number (PIN) <input style="width: 40px; height: 20px;" type="text"/>		

	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>Sign Here. Keep a copy for your records</b>	Your signature	Date	Your occupation	Daytime phone number ( )
	Spouse's signature. If a joint return, <b>BOTH</b> must sign	Date	Spouse's occupation	
<b>Paid Preparer's Use Only</b>	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.



**DIVISION OF REVENUE AND TAXATION**  
**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**ANNUAL WAGE AND SALARY AND EARNINGS TAX RETURN**



*(Please type or print in ink)*

**2009**

<b>Name and Address</b>	Your first name and initial	Last Name	Your social security number
	If a joint return, spouse's first name and initial	Last Name	Spouse social security number
	Home address (number and street).	Apt. No.	<b>IMPORTANT !</b> You must enter SSN(s) above
	City, town, or post office, state and ZIP code.		

*(See supplemental instructions)*

<b>PART A - WAGE AND SALARY TAX COMPUTATION</b>		<b>A. YOURSELF</b>	<b>B. SPOUSE</b>
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 on 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	Combined annual wage and salary tax (add line 8, Columns A and B) .....	9	
10	Wage and salary tax withheld and/or paid. (Form W-2CM) .....	10	
11	Total wage and salary tax due/ (overpaid). Subtract line 10 from line 9. If less than zero place a bracket around the figure. ....	11	

<b>PART B - EARNINGS TAX COMPUTATION</b>		<b>A. YOURSELF</b>	<b>B. SPOUSE</b>
1	Interest .....	1	
2	Dividends .....	2	
3	Capital gain reported on line 10 (Form 1040A-CM. See instructions) .....	3	
4	Total income subject to the earnings tax (add lines 1,2, and 3) .....	4	
5	Annual earnings tax .....	5	
6	Education tax credit (attach Schedule ETC) .....	6	
7	Earnings tax after credit (subtract line 6 from line 5) .....	7	
8	Total earnings tax due. (add line 7, columns A and B) .....	8	

<b>PART C - TOTAL CHAPTER 2 TAX DUE OR (OVERPAYMENT)</b>	
1	Total Wage and Salary and Earnings taxes due or (overpayment). Add line 11, Part A and line 8 Part B. 1

**COMPLETE FORM OS-3405A - COMPUTATION OF NON-REFUNDABLE CREDIT AND APPLICATION FOR REBATE ON CNMI SOURCE TAXBEFORE COMPLETING PART D**

<b>PART D - CHAPTER 7 TAX AND REBATE OFFSET CALCULATIONS</b>	
1	Chapter 7 tax underpayment after non-refundable credit (enter amount from Form OS-3405A, line 13)..... 1
2	Chapter 7 overpayment after non-refundable credit (enter amount from Form OS-3405A, line 12)..... 2 ( )
3	Rebate offset amount (enter amount from Form OS-3405A, line 14, part B)..... 3 ( )
4	Chapter 7 liability or (overpayment) after rebate offset amount (add lines 1 through 3)..... 4
5	Tax on overpayment of credits..... 5
6	Estimated tax penalty..... 6
7	Total Chapter 7 liability or (overpayment) (add lines 4, 5 and 6)..... 7

ATTACH FORM(S) W-2, W-2CM, W-2G AND 1099-R HERE

**PART E - COMBINE DUE OR (OVERPAYMENT)**

<b>1</b>	Amount due or (overpaid), Chapter 2 and Chapter 7 (add lines 1 of part C, and line 4 of part D) If this amount is an overpayment, skip lines 2 through 4 .....	<b>1</b>	
<b>2</b>	<b>CHAPTER 2:</b>		
	(a) _____ Enter amount underpaid		
	(b) Failure to File .....	<b>2b</b>	
	(c) Failure to Pay .....	<b>2c</b>	
	(d) Interest Charge .....	<b>2d</b>	
<b>3</b>	<b>CHAPTER 7:</b>		
	(a) _____ Enter amount underpaid		
	(b) Failure to File .....	<b>3b</b>	
	(c) Failure to Pay .....	<b>3c</b>	
	(d) Interest Charge .....	<b>3d</b>	
<b>4</b>	Total penalty and interest charges. (Add lines 2b, 2c, 2d, 3b, 3c, and 3d) .....	<b>4</b>	
<b>5</b>	Total amount due or (overpaid) Chapter 2 and Chapter 7. (Add lines 1 and 4 of this part, and lines 5 and 6 of Part D).....	<b>5</b>	
<b>6</b>	If line 5 is an overpayment, enter amount you want credited to your <b>2010 ESTIMATED TAX</b> .....	<b>6</b>	
<b>7</b>	Amount from line 5 you want credited to your <b>2010 Business Gross Revenue Tax</b> . Indicate the quarter _____ .....	<b>7</b>	
<b>8</b>	Net overpayment .....	<b>8</b>	

**PART F - Additional Child Tax Credit Computation (attach Form 8812)**

**Special Notice**

This Part is provided to enable the Division of Revenue and Taxation to process your claim of the Additional Child Tax Credit (ACTC). Please note that the ACTC is being paid by the U.S. Treasury, and the Division of Revenue and Taxation is only facilitating your ACTC claim as agreed upon between the CNMI Department of Finance and the U.S. Treasury. By applying for the ACTC Refund and allowing the refund to be processed by the Division of Revenue and Taxation, you are giving the Division of Revenue and Taxation authorization to release tax information to the Internal Revenue Service (IRS). See supplemental instructions for Part F, line 2 regarding rebate offset amount.

<b>1</b>	<b>Additional Child Tax Credit.</b> Enter the amount from line 13 of Form 8812. (Attach Form 8812) .....	<b>1</b>	
<b>2</b>	Enter the amount underpaid from line 5, Part E above .....	<b>2</b>	
<b>3</b>	Additional Child Tax Credit refund (line 1 minus line 2, but not less than zero) .....	<b>3</b>	
<b>4</b>	Amount you still owe on this return after offset of the ACTC (line 2 minus line 1, but not less than zero) .....	<b>4</b>	

**PART G - Refundable Education Credit - Form 8863, Line 16 (attach Form 8863)**

<b>1</b>	Enter the amount from Form 8863, Line 16 .....	<b>1</b>	
<b>2</b>	Enter amount still owed from line 4, Part F above (see supplemental instruction) .....	<b>2</b>	
<b>3</b>	Education Credit refund (line 1 minus line 2, but not less than zero) .....	<b>3</b>	
<b>4</b>	Amount you still owe after offset of the Education Tax Credit (line 2 minus line 1, but not less than zero) .....	<b>4</b>	

<b>Third Party Designee</b>	Do you want to allow another person to discuss this return with the Division of Revenue and Taxation? <input type="checkbox"/> <b>Yes.</b> Complete the following. <input type="checkbox"/> <b>No</b>		
	Designee's name _____	Phone no. ( ) _____	Personal Identification Number (PIN) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<b>Sign Here.</b> Keep a copy for your records	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.		
	Your signature _____	Date _____	Your occupation _____ Daytime phone number ( ) _____
<b>Paid Preparer's use only</b>	Spouse's signature. If a joint return, <b>BOTH</b> must sign _____	Date _____	Spouse's occupation _____
	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. _____	

FOR OFFICIAL USE ONLY					
DATE FILED*	DATE PAID	AMOUNT PAID	RECEIPT NO.	VERIFIED BY	POSTED BY



**DIVISION OF REVENUE AND TAXATION**  
**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**COMPUTATION OF NON-REFUNDABLE CREDIT AND**  
**APPLICATION FOR REBATE ON CNMI SOURCE INCOME TAX**



**Form OS-3405A** (Attach to Form 1040A-CM) (SEE INSTRUCTIONS)

**2009**

<b>Name and Address</b>	Your first name and initial	Last Name	Your social security number
	If a joint return, spouse's first name and initial	Last Name	Spouse social security number
	Home address (number and street).		Apt. No.
	City, town, or post office, state and ZIP code.		<b>IMPORTANT !</b> You must enter SSN(s) above

**PART A - Non-refundable Credits**

1	Wage and salary tax.....	1	
2	Earnings tax.....	2	
3	Total non-refundable credits (add lines 1 through 5).....	3	

**PART B - Rebate Computation**

4	<b>Allocable percentage:</b>		
a	Tax without the CNMI	4a	_____ %
b	Tax within the CNMI	4b	_____ %
5	Total NMTIT on all sources.....	5	
6	Total NMTIT payments made.....	6	
7	Tax on sources without CNMI (multiply line 5 by the percentage as shown on line 4a).....	7	
8	Tax on sources within CNMI(multiply line 5 by the percentage as shown on line 4b)	8	
9	Total non-refundable credits (enter amount from line 3, part A).....	9	
10	Adjusted CNMI source tax (subtract line 9 from line 8. If zero or less, enter -0-) .....	10	
11	Total CNMI and NON-CNMI source tax after non-refundable credits (add lines 7 and 10).....	11	
12	NMTIT overpayment (subtract line 11 from line 6. If zero or less, enter -0-).....	12	
13	Total tax underpaid (If line 11 is greater than line 6, subtract line 6 from line 11, otherwise, enter -0-).....	13	
14	<b>Rebate offset amount</b> Calculate this amount as determined by the rebate base (line 10).....	14	

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>Sign Here</b> Keep a copy for Your Records	Your signature.	Date	Your Occupation
	Spouse's signature. If a joint return, <b>BOTH</b> must sign	Date	Spouse's Occupation
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed) address and zip		Preparer's SSN or PTIN
			EIN
			Phone no.

**DEADLINE: APRIL 15, 2010**

# FORM OS-3405A

Complete General Information – (a) names, (b) social security numbers, (c) address.

**PART A      Non-refundable Credits**

1. Enter the wage and salary tax as shown on line 9, part A, of the Annual Wage and Salary and Earnings Tax Return.
2. Enter the earnings tax as shown on line 8, part B, of the Annual Wage and Salary and Earnings Tax Return.
3. Add all amounts shown in lines 1 and 2.

**PART B      Rebate Computation**

- 4a. Enter the percentage (allocable ratio) of tax without the CNMI. This should be the percentage shown on line 15b, column A, page 1 of Form 1040A-CM.
- 4b. Enter the percentage (allocable ratio) of tax within the CNMI. This should be the percentage shown on line 15b, column B, page 1 of Form 1040A-CM
5. Enter the tax as shown on line 37, page 2 of Form 1040A-CM.
6. Enter the total payments made for the taxable year as shown on line 44, page 2 of Form 1040A-CM.
7. Multiply the amount on line 5 by the percentage of tax without the CNMI as shown on line 4a.
8. Multiply the amount on line 5 by the percentage of tax within the CNMI as shown on line 4b.
9. Enter the total non-refundable credits from line 3, part A.
10. Subtract line 9 from line 8. If zero or less, enter zero.
11. Add lines 7 and 10.
12. If line 6 is greater than line 11, subtract line 11 from line 6, otherwise enter zero.
13. If line 11 is greater than line 6, subtract line 6 from line 11, otherwise, enter zero.
14. Compute the amount on line 10 as shown on the rebate table below.

REBATE TABLE		
If the Rebate Base (line 10) is:	The Rebate Offset Amount is:	Example:
Not over \$20,000	90% of the Rebate Base	Rebate Base x 90%
\$20,001 to \$100,000	\$18,000 plus 70% of Rebate Base over \$20,000	Rebate Base - \$20,000 X 70% plus \$18,000



**DIVISION OF REVENUE AND TAXATION**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
Post Office Box 5234 CHRB, Saipan, MP 96950  
Tel. (670) 664-1000

# **2009 FORM 1040A-CM**

## **Supplemental Instructions Booklet**

- **Form 1040CM** (Use in conjunction with the 2009 Form 1040A Instructions - IRS Issue)
- **Wage and Salary Tax and Earnings Tax**
- **Computation of Non-refundable Credit and Application for Rebate on CNMI Source Income Tax**
- **Additional Child Tax Credit** (Form 8812)
- **Education Tax Credit** (Form 8863)

## Form 1040A-CM Supplemental Instructions

### Lines 7 through 14b (*Instructions pages 24 thru 28*)

The rules for the determination of source of income are established in the Northern Mariana Territorial Income Tax Code ("NMTIT") sections 861 through 865 and associated U.S. Treasury regulations. Taxpayers and/or professionals should consult these statutes and regulations for detailed guidance on determining sources of income. You must allocate the income you are reporting on these lines between income without and within the Commonwealth based on their sources. Enter your figure in the appropriate columns.

### Line 8a (*Instructions page 24*)

The tax on CNMI sourced interest income is not rebatable and must be entered under column A unless you elect to have this income subject to the earnings tax. You can elect to have this income subject to the earnings tax by entering the income under column B. If you enter the interest income under column B, you must include such income in the earnings tax section on page 3, part B of the return to avoid any discrepancies on your tax return.

### Line 9 (*Instructions page 24*)

The tax on CNMI sourced dividend income is not rebatable and must be entered under column A unless you elect to have this income subject to the earnings tax. You can elect to have this income subject to the earnings tax by entering the income under column B. If you enter the dividend income under column B, you must include such income in the earnings tax section on page 3, part B of the return to avoid any discrepancies on your tax return.

### Line 15a

Total the figures entered in each of the columns (A, B, and C) from lines 7 through 14b.

### Line 15b

Make the percentage allocation of your income on line 15a by dividing the total in each column (A and B) by the total in column C.

Example: Percentage allocation for line 15b, column A

$$\frac{\text{Line 15a, column A}}{\text{Line 15a, column C}} = \text{Percentage allocation for line 15b, column A}$$

Percentage allocation for line 15b, column B

$$\frac{\text{Line 15a, column B}}{\text{Line 15a, column C}} = \text{Percentage allocation for line 15b, column B}$$

### Line 21

Subtract line 20 from line 15a, column C (total income).

### Line 38a

Total Federal Income Tax withheld (from Form(s) W-2 and/or Form(s) 1099 from without CNMI only). **Do not** include this amount on line 38b.

### Line 38b

Total NMTIT withheld (chapter 7 tax from Form(s) W-2CM and/or Form(s) 1099 from within CNMI only). **Do not** include this amount on line 38a.



Line 45

The amount overpaid on this line is subject to adjustment that may result from allowable non-refundable credit. See instructions for part E, line 5.

Line 48

The amount owed on this line is subject to adjustment that may result from allowable non-refundable credit. See instructions for part E, line 5.

Line 49

Leave this line blank. See instructions for part D, line 6.

## Wage and Salary Tax, Earnings Tax, and Chapter 7 Tax and Rebate Offset Calculations

### PART A 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 box 16. If this is a joint return, your spouse must also enter the same information, if any, on column B.
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, and freelance income, etc. If this is a joint return, your spouse must also enter the same information, if any, on column B.
3. Add lines 1 and 2 under each column.
4. Enter the amount not subject to the wage and salary tax. This includes CNMI government/agency employee's W-2CM box 12 code G, housing benefits included in line 1 and subject to deduction, etc. Attach explanation otherwise this amount will be disallowed.
5. Subtract line 4 from line 3 under each column. This is your total CNMI wages and salaries subject to the wage and salary tax.
6. Compute your wage and salary tax liability on income reported on line 5 of each column using the wage and salary and earnings tax table below.

**TAX TABLE FOR WAGE AND SALARY AND EARNINGS TAX COMPUTATION**

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

7. Enter the amount, if any, of 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 cash contribution not to exceed \$5,000.00 or the aggregate amount of wage and salary tax, earnings tax, and business gross revenue tax liability. If this is a joint return and your spouse made cash contribution to a qualified educational institution, your spouse must enter that information in column B. Attach Schedule ETC. **CAUTION: You must reconcile the educational tax credit claimed in other returns to determine the maximum amount (\$5,000) allowable.**
8. Subtract line 7 from line 6, columns A and B.
9. Add the tax on line 8, columns A and B.

10. Enter the total Chapter 2 tax withheld as shown in Form(s) W-2CM box 17. Also, enter other Chapter 2, wage and salary tax payments made for wages and salaries.

11. Subtract line 10 from line 9. If the amount is less than zero, place a bracket around the figure to indicate an overpayment. This is your wage and salary tax due or overpayment.

#### **PART B**      Earnings Tax Computation

*(Caution: If you reported interest and or dividend income under column B, page 1, (Form 1040A-CM) you must also include such income on lines 1 and or 2 of this part.)*

1. Enter the amount from page 1, line 8a, column B of your income tax return.

2. Enter the amount from page 1, line 9a, column B of your income tax return.

3. Enter the amount reported on page 1, line 10, column B of your income tax return.

4. Add lines 1 thru 3 in each column.

5. Compute your earnings tax s reported on line 4 of each column using the wage and salary and earnings tax table above.

6. Enter the amount, if any, of 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 cash contribution not to exceed \$5,000.00 or the aggregate amount of wage and salary tax, earnings tax, and business gross revenue tax liability. If this is a joint return and your spouse made cash contribution to a qualified educational institution, your spouse must enter that information in column B. Attach Schedule ETC. **CAUTION: You must reconcile the educational tax credit claimed in other returns including amount claimed inline 7 above to determine the maximum amount (\$5,000) allowable.**

7. Subtract line 6 from line 5.

8. Add line 7 of columns A and B. This is your earnings tax liability.

#### **PART C**      Total Chapter 2 (Wage and Salary and Earnings Tax) Due or Overpayment

Add line 11 of part A and line 8 of part B and enter on this line. If the amount is less than zero, place a bracket around the figure to indicate an overpayment. This is your combined wage and salary and earnings taxes due or overpayment.

**COMPLETE SCHEDULE OS-3405A (APPLICATION FOR REBATE ON CNMI SOURCE TAX) BEFORE PROCEEDING TO PART D**

#### **PART D**      Chapter 7 Tax and Rebate Offset Calculations

1. Enter amount from Schedule OS-3405A, line 13, part B.

2. Enter amount from Schedule OS-3405A, line 12, part B.

3. Enter amount from Schedule OS-3405A, line 14, part B.

4. Add amounts in lines 1 thru 3 of this part. If amount is less than zero, place a bracket around the figure.

5. Enter the lesser of the amount on line 41a of Form 1040A-CM or the amount on line 2 of this part (ignore the bracket).

6. To figure your estimated tax penalty on Form 2210, substitute the tax underpayment amount with the amount shown on line 1 of this part. If you want Revenue and Tax us to compute this penalty for you, write "REVTAX" on the left side of this line. We will adjust your overpayment or bill you later for this amount.

7. Add lines 4, 5 and 6. This is your total Chapter 7 (NMTIT) liability or overpayment.

**PART E**      Combined Due or (Overpayment)

1. AMOUNT DUE OR (OVERPAID). Add amounts on line 1 part C and line 4 of part D. If this amount shows a tax due and you filed on or **BEFORE** the deadline, continue on line 5. However, if this line shows an overpayment, place a bracket around your figure, and go to line 5. If this line shows a tax due and you filed after the due date proceed to line 2a.

2(a). Enter the lesser of the amount on line 1 part C or the amount on line 1 of this part. If zero or less, enter zero.

2(b). Failure to file penalty for Chapter 2 taxes. A penalty of 5% per month or fraction thereof is imposed on the amount due on line 2a up to a maximum of 25%. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by  $\frac{1}{2}$  of 1%. Enter the Chapter 2 failure to file penalty on this line.

2(c). Failure to pay penalty for Chapter 2 taxes: A penalty of  $\frac{1}{2}$  of 1% per month or fraction thereof is imposed on the amount due on line 2a.

2(d). Interest on taxes and penalties (Chapter 2). Interest at prevailing rate compounded daily, is imposed on the amount due line 2a, 2b and 2c. Enter the total interest on this line. (NOTE: The annual interest rate is subject to change as determined by the commissioner). Enter the total Chapter 2 interest on this line.

3(a). If line 1 is a tax due, subtract line 2a from line 1. Enter amount on this line, but not less than zero. Otherwise, enter zero.

3(b). Failure to file penalty for Chapter 7 taxes: A penalty of 5% per month or fraction thereof is imposed of the amount due on line 3a up to maximum of 25%. If the failure to pay penalty becomes applicable, the 5% failure to file penalty shall be reduced by  $\frac{1}{2}$  of 1%. Enter the Chapter 7 failure to file penalty on this line.

3(c). Failure to pay penalty for Chapter 7 taxes: A penalty of  $\frac{1}{2}$  of 1% per month or fraction thereof is imposed on the amount due line 3a. The aggregate amount shall be limited to a maximum of 25%. Enter the total Chapter 7 failure to pay penalty on this line.

3(d). To compute the interest on Chapter 7 taxes: Interest at prevailing rate compounded daily, is imposed on the amount due line 2a, 2b and 2c. Enter the total interest on this line. (NOTE: The annual interest rate is subject to change as determined by the commissioner). Enter the total Chapter 7 interest on this line.

4. Add lines 2b, 2c, 2d, 3b, 3c and 3d. This is the total penalty and interest charges applicable to Chapter 2 and Chapter 7 taxes.

5. Add lines 1 and 4 (if any) of this part, and lines 5 and 6 of part D. If this is a tax due, Make out your check payable to: "CNMI Treasurer". This amount supersedes the amount of your refund on line 46 or the amount you owe on line 48 of Form 1040A-CM. **Note: The amount due shown here can be offset against the additional child tax credit in Part F below and the Education credit in part G below. Please complete those Parts if applicable to determine your net tax due or remaining refund from those credits.** If it is an overpayment, place a bracket around your figure and proceed to line 6.

6. Enter amount of overpayment on line 5, you want applied to your 2010 ESTIMATED TAX, but not more than the amount on line 5. This amount is in lieu of line 46 of Form 1040A-CM.

7. Enter the amount from line 5 (after deduction for line 6) you want credit to your 2010 Business Gross Revenue Tax and indicate the quarter you want it applied to.

8. Add lines 5, 6 and 7. This is the net combined overpayment (refund and rebate) that is due to you.

**PART F Additional Child Tax Credit Computation (If filing Form 8812, otherwise skip this part)**

1. Enter the amount of your Additional Child Tax Credit from Form 8812, line 13. Attach Form 8812 to this return.
2. Enter the tax owed on this return as shown on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return but not more than the amount on line 1. If you enter the amount as requested, you are authorizing an offset of your tax due on this return against your ACTC. If you do not authorize an offset of your tax due, you must pay the amount shown on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return.
3. Subtract line 2 from line 1 but not less than zero. This is your ACTC refund after offset.
4. Amount you owe after ACTC offset. If line 2 is less than line 1, enter zero. Otherwise subtract line 1 from line 2. This is the amount you still owe after ACTC offset. Pay this amount unless you are claiming Education Tax Credit below.

**PART G Education Tax Credit (If filing Form 8863, otherwise skip this part)**

1. Enter the amount of your Education Tax Credit from Form 8863, line 16. Attach Form 8863 to this return.
2. Enter the tax owed on this return as shown on line 4 (Part F) above if you are claiming additional child tax credit, otherwise enter the amount on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return. If you enter the amount as requested, you are authorizing an offset of your tax due on this return against your Education Tax Credit. If you do not authorize an offset of your tax due, you must pay the amount shown on line 4 (Part F) above or the amount on line 5, part E, of the Annual Wage and Salary and Earnings Tax Return whichever balance is applicable.
3. Subtract line 2 from line 1, but not less than zero. This is your Education Tax Credit refund after offset.
4. Amount you owe after Education Tax Credit offset. If line 2 is less than line 1, enter zero. Otherwise subtract line 1 from line 2. This is the amount you still owe after Education Tax Credit offset. Pay this amount.

**Filing and Deadline**

**If filing in person deliver return to any Revenue and Tax Offices:**

Saipan	Division of Revenue and Taxation Joeten Dandan Commercial Building San Vicente, Saipan
Tinian	Division of Revenue and Taxation San Jose Village, Tinian
Rota	Division of Revenue and Taxation Songsong Village, Rota

**If filing by mail, please send to:** DIVISION OF REVENUE AND TAXATION  
POST OFFICE BOX 5234 CHR  
SAIPAN, MP 96950

**Filing Deadline: April 15, 2010**